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Alberta Cattle Commission Report 1998



Alberta
Cattle
Commission



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Chairman's Letter

Producers will Decide Check-off Increase

Fellow Cattle Producer:

Beef cattle producers at last year's Alberta Cattle Commission (ACC) fall producer meetings directed the ACC to develop a plan including future funding requirements for presentation to producers in the fall of 1998. At the 1997 annual general meeting, ACC delegates carried a resolution:

"to develop a plan with a possible check-off increase and a review of internal operations for presentation to producers".

After an extensive review, ACC delegates developed a plan which proposes a 50-cent increase in the check-off. A secret ballot vote will be conducted at ACC fall meetings.

The ACC check-off has been at the current level of \$1.50 per head since 1987. Careful financial management, adherence to budgets, and higher than expected marketings buffered the impact of 11 years of inflation. But unfortunately, it has now caught up with the ACC. In order for the ACC to maintain current activity levels and deal with current market threats, a 50-cent increase is needed.

The plan developed by ACC delegates also proposes to:

- increase funding for export market development,
- expand beef promotion activities,
- strengthen producer communication efforts, and
- boost funding for government lobbying.

An information brochure on the proposed check-off has been placed in the middle of the 1998 ACC annual report. Please take time to read the entire brochure so you can make an informed decision.

Alberta's beef cattle industry is a success story in terms of North American agriculture. By working together with the right financial resources in place, the ACC can help maintain this success.

Please feel free to call me (403) 823-4856 or your closest ACC delegate if you have any questions. I encourage you to attend an ACC fall meeting to cast your vote!

Sincerely yours,

Dale A. Wilson

Dale Wilson
Chairman

The Choice is Yours

You're being asked to approve a 50-cent increase to the Alberta Cattle Commission check-off. It's an important decision that will impact the future of your operation and your industry. Like any business decision, you need the facts so you can make an informed choice.

Q: Why is an increase necessary?

A: To maintain new beef marketing programs and...

- Address beef demand issues like quality, consistency

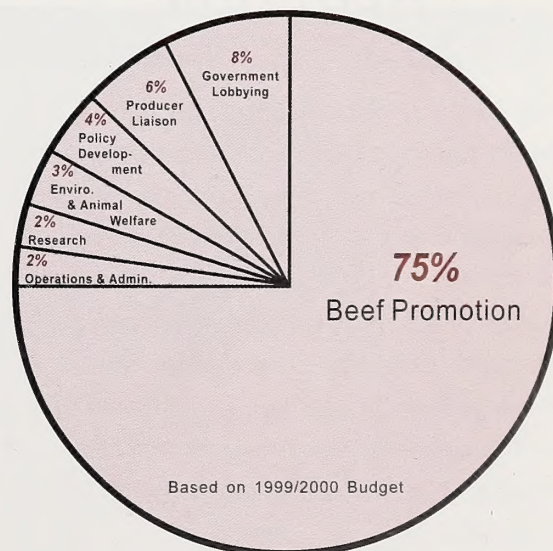
ACC Check-off History

and new beef products;	1970	\$0.10
	1976	\$0.20
• Defend our ability to trade internationally.	1979	\$0.30
	1980	\$0.40
	1981	\$0.80
Currently, the United States is	1987	\$1.50
	1999	\$2.00



- debating a labelling law that could have a significantly negative impact on Alberta shipments of cattle and beef to the United States;
- Fund promotional activities like the ACC foodservice program and the new Quebec retail initiative;
- Manage public relations issues like BSE, food safety and environmental impacts;
- Continue representing producer interests to governments.

HOW YOUR CHECK-OFF DOLLARS WILL BE SPENT





Current News

Cattle Handling and Hauling Course

The first comprehensive cattle handling and hauling course in Canada has been developed by the Alberta Farm Animal Care Association in cooperation with the Canadian

There's a New Sheriff in Town

RCMP Cpl. Ed Turco is the new livestock investigator for southern Alberta (291-6246). He replaces Cpl. Emil Smetaniuk who retired earlier this year. Cpl. Tim Woods continues as the livestock investigator for northern Alberta (945-5510).

Both officers stress the importance of reporting any missing or stolen livestock immediately. The sooner the report is made, the faster the RCMP can act to bring a successful conclusion to the investigation.

A growing number of livestock thefts involve white collar crime where cattle ownership changes hands via paper transactions, often sight unseen. Producers are cautioned to have a complete legal understanding of these transactions in order to protect themselves.

Research Reports Available

A summary of research funded by the Canada-Alberta Beef Industry Development Fund is available to interested producers. Approximately \$8 million worth of research funding has been supported to date. Areas of study include animal health, cow/calf, feedlot, intellectual resources and manure/sustainability. For a free copy of the beef research report call the Alberta Cattle Commission at (403) 275-4400.

Cattlemen's Association Quality Starts Here program.

"The course is designed to be useful to anyone in the industry who handles or hauls cattle," says Tim O'Byrne, the cattle handling consultant who designed the course. "It covers a wide variety of topics from basic cattle behavior and facility design, loading procedures, loading densities and the paperwork needed to haul in the United States. The course also spends considerable time discussing the federal and provincial transportation

and animal care regulations."

Supplying a high quality product to consumers is a multi-million dollar industry with huge spin-offs in jobs and other indirect economic benefits. Alvin Downey, chairman of the cattle handling working group of the Quality Starts Here program says, "Research from the Quality Starts Here program shows that the industry loses millions each year due to carcass imperfections. Some of these can be addressed in the handling and hauling part of the chain."

Practical Environmental Farm Management Courses Available

It seems like everyone is talking about manure these days. Do you want to get a handle on manure management? Do you want to find out how to make the most out of the nutrients in manure?

Then sign up for a two-day workshop to assist you in developing a manure management plan for your operation. You will use aerial photographs and other information to develop a manure management plan that is specific to your land resources. The workshop will also help you develop a manure management strategy and identify the best management practices for your unique operation. Cost for the two day course is \$125 including aerial photograph and lunch both days.

WHERE and WHEN:

Mannville	- Nov. 12-13	Warburg	- Nov. 30-Dec. 1
Wetaskiwin	- Dec. 2-3	Hanna	- Dec. 7-8
High River	- Dec. 9-10	Airdrie	- Dec. 14-15
Drayton Valley	- Dec. 16-17	Brooks/Duchess	- Jan. 6-7
Barrhead	- Jan. 11-12	Stony Plain	- Jan. 13-14
Grande Prairie	- Jan. 18-19	Innisfail	- Jan. 20-21
Lethbridge	- Jan. 27-28	Camrose	- Feb. 2-3
Vermilion/Elk Point	- Feb. 8-9	Fort Macleod	- Feb. 10-11
Castor	- Feb. 15-16	Stettler	- Feb. 17-18
Hines Creek	- March 1-2		

FOR MORE INFORMATION CONTACT:

Tamara Lewis, Alberta Agriculture, Phone: 427-3819

Alberta Agriculture Regional Conservation Coordinators:

Wally Sawchuk	Lethbridge	Phone: 381-5119
Karen Yakimishyn	Red Deer	Phone: 340-5325
Ben Froebel	Barrhead	Phone: 674-8305
Dale Chrapko	Vermilion	Phone: 853-8226
Randy Perkins	Fairview	Phone: 835-2291

Call all government numbers toll free by dialing 310-0000 and then the number.

ELECTION BACKGROUNDER

ZONE 1

Zone 1 Includes: County of Vulcan No. 2, County of Newell No. 4, County of Forty Mile No. 8, M.D. of Taber No. 14, M.D. of Cypress No. 1, that area of Special Area No. 2 that lies south of the Red Deer River

ELECTED BY ACCLAMATION

Janet Cordes and family have a cow/calf operation in **Rolling Hills**. They grow their own feed and background their calves until March.

She has served as a delegate for four years and found the work to be important and interesting.

Janet says, "I've been on the promotion committee and currently am chairman of the Classroom Agriculture Program (CAP) - a program I've supported for nearly 10 years. I believe CAP is one of the best programs we have, as well as one of the most productive. I would like to continue serving our producers in this capacity and will continue to work hard."

Jeanie Culligan was born and raised in a ranching family. She has spent the majority of her life in the **Duchess** area.

Her family runs a Black Angus cow/calf operation and sells 125 head of Black Angus bred heifers each fall. Their 1,500 acre ranch is a mixture of dryland and irrigation.

Jeanie is a registered nurse, past 4-H leader and sits on the Regional Children and Family Service Board.

Stan Krause was raised on a ranch near Hilda and graduated with a B.Sc. in Agriculture (animal nutrition) in 1964. Stan and family run a herd of 480 Hereford cows, 800 acres of irrigated barley, wheat and corn, a backgrounding lot, and a custom wintering operation on the Red Deer River near **Jenner**.

He has served as a trustee and chairman with Prairie Rose School Division (1974-1998), secretary manager of the Alta. Gas Co-op Ltd. (1981-1998), president and treasurer of the Buffalo Agricultural Society and president of Rainy Hills Lutheran Church.

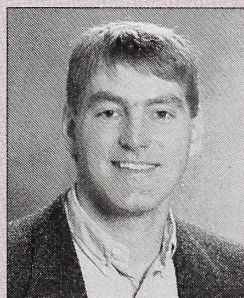
Stan says, "The increasing pressure on agriculture from government, environmental concerns and special interest groups have prompted me to run for the position of ACC zone delegate."

SITTING DELEGATES



Joan Hughson
Foremost, 867-2343

beef promotion
committee



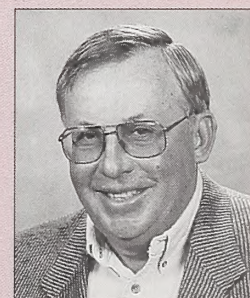
Murray Jorgensen
Bassano, 378-4093

cattle industry
committee chairman



Tom Livingston
Duchess, 378-4701

producer liaison
committee



Gary McMorris
Milo, 599-2148

public affairs
committee

ELECTION BACKGROUNDER



ZONE 2

Zone 2 Includes: County of Warner No. 5, County of Lethbridge No. 26, M.D. of Cardston No. 6, M.D. of Pincher Creek No. 9, M.D. of Willow Creek No. 26, M.D. of Ranchlands No. 66, I.D. No. 4, I.D. No. 5, I.D. No. 6, the Municipality of Crowsnest Pass

ELECTED BY ACCLAMATION

Bob Christie is married and runs a mixed cow/calf and grain farm east of **Stavely**.

Bob has completed his second term as an ACC delegate and is a past director of the Parkland/Stavely Feeders' Association.

He feels the ACC can make a strong contribution to the cattle industry and wants to do his part.

Len Vogelaar has had a feedlot and cow/calf operation in the **Pincher Creek** area for over 30 years. Len is past president of the Alberta Cattle Feeders' Association and has been extensively involved with the ACC. He is past chairman of the ACC and past president of the Canada Beef Export Federation.

Len believes in a free market and the paramount importance of expanded export markets for cattle and beef.

Les Wall and family operate a feedlot south of **Coaldale**. He has experience in finishing and backgrounding cattle and selling cattle locally and in the United States.

Les says, "With the beef industry facing many challenges entering the new millennium, I would like to do my part to keep the industry healthy and viable for future generations. Trade disputes and growing competition from other meats are issues that are important to me."

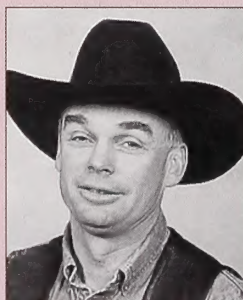
SITTING DELEGATES



Kathy Flundra

Pincher Creek, 627-2476

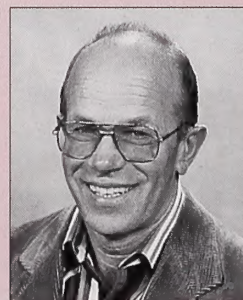
zone coordinator



Larry Sears

Stavely, 549-2481

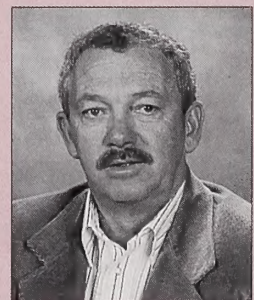
Alberta director
to the CCA



Herman Stroeve

Picture Butte, 738-4417

beef promotion
committee



Weldon Thomson

Raymond, 752-4551

technical committee

ELECTION BACKGROUNDER

ZONE 3

Zone 3 Includes: County of Wheatland No. 16, County of Mountainview No. 17, M.D. of Big Horn No. 8, M.D. of Foothills No. 31, M.D. of Rockyview No. 44, I.D. No. 9

CANDIDATES

Michael Bird and family operate a third generation mixed farm at **Blackie**. They run 100 cows and feed out calves during the winter at home and in custom feedlots.

Michael says, "I enjoyed the past two years as an ACC delegate and hopefully have made a contribution. This past year I had the opportunity to serve on the Board as zone three director, as promotion committee chairman and as an ACC representative on the Beef Information Centre. I would appreciate the opportunity to continue with some of these activities."

Mary Jane Davies and husband have a cow/calf, background and forage operation west of **Carstairs**.

She has been a delegate for two years representing zone three on the public affairs committee dealing with critical environmental issues such as water quality and manure management. Mary Jane has enjoyed her involvement with the ACC. She has been involved with the Alberta Women's Institute and was their representative to the Classroom Agriculture Program. She was also president of the International Mountain Section of the Society for Range Management.

In her "spare" time Mary Jane consults regarding rare plant surveys. She hopes this experience will enable her to represent zone three once again.

Charles Groeneveld resides on a farm east of **Okotoks**. He was a member of the Gladys 4-H Beef Club for 10 years and leader for 26 years. Charles has been a member of the Alberta Cattle Breeders for 12 years holding the office of president for one term. He

sat on the Canadian Simmental Association board as vice-president and served four years as president of the Alberta Simmental Association. He is also extensively involved with the Calgary Stampede.

Charles feels he can contribute knowledge and experience to the ACC as he enjoys all facets of the beef industry. After serving his wipeout year, Charles is running again because he is concerned about the financial health of the ACC.

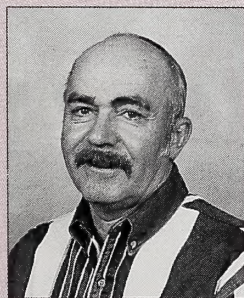
Michael (Mick) Howden lives on an acreage west of **Calgary**, where he pastures 25-30 yearlings each year and has a small cow/calf operation. He is currently employed at the executive level by a large engineering consulting firm and is a member of the Little Bow Feeders' Association and Okotoks Agricultural Society.

Mick says, "I am interested in the challenging issues facing the beef industry and believe the ACC can play an important role in setting future direction."

Murray Morrison and family run a mixed cow/calf, yearling operation west of **High River**. He has been a volunteer with the Classroom Agriculture Program for the last four years. Last year Murray filled a vacant position in zone three, which enabled him to learn what the ACC does.

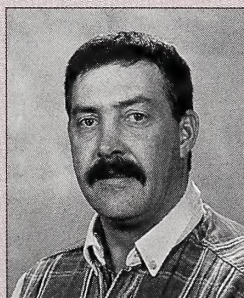
He says, "I was on the government affairs committee and am very interested in Special Places 2000 as well as the lease review. I think we are headed for very interesting times in the cattle business and would like to be there on behalf of my fellow cattlemen."

SITTING DELEGATES



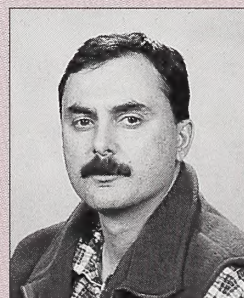
Bruce Bamford
Calgary, 256-5674

zone coordinator



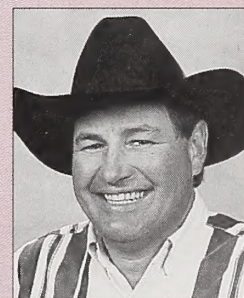
Randy Kaiser
Hussar, 787-2440

technical committee



Bruce Stewart-Smith
Calgary, 239-0324

beef promotion
committee



Jim Turner
Cochrane, 932-5278

ACC vice-chairman

ELECTION BACKGROUNDER



ZONE 4

Zone 4 Includes: County of Paintearth No. 18, County of Flagstaff No. 29, M.D. of Acadia No. 34, M.D. of Provost No. 52, M.D. of Wainwright No. 61, that area of Special Area No. 2 that lies north of the Red Deer River, Special Area No. 3, Special Area No. 4

CANDIDATES

Craig Horner and family run a 200 head cow/calf ranch south of **Hanna**.

He's been involved with many local organizations from 4-H to sports and recreation clubs and has been a member of the Special Areas #2 Agricultural Service Board for six years.

Craig says, "I graduated from the University of Calgary in 1975 with a B.A. but found what I have learned since graduation to be much more useful. I support a strong, fiscally responsible Cattle Commission that promotes our product to the world while at the same time leading our members to higher standards."

Brad Pierson and family ranch near **Wardlaw**, 50 km northeast of Brooks.

A few years ago they switched from a cow/calf to a yearling operation. They buy calves in the fall, over winter them, and sell them off the grass in August or September.

Brad says, "I think it would be a good experience to see how the ACC runs. I feel we need an organization to stand up for us and I hope we can come up with some ways to regain beef's market share."

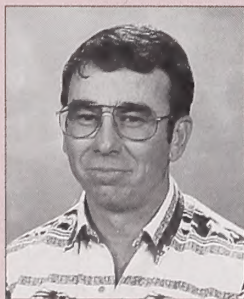
Glen Rosenau and family operate a cow/calf and backgrounding operation west of **Cereal**.

Glen says, "I've been raised around cattle my whole life. Now that I am raising them, I have taken a lot more interest in the cattle industry as a whole - from the cow/calf producer to the packer and retail sector. I'm also interested how outside forces such as local, national and international governments may and will affect the cattle industry now and for the future."

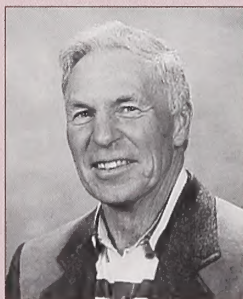
Marj Veno runs a 350 head cow/calf ranch in the hard grass country of **Hanna**. She uses Limousine bulls for a terminal cross and Red Angus bulls for replacement heifers.

Marj has been in the beef business for 25 years with experience in the backgrounding, feedlot and cow/calf sectors.

SITTING DELEGATES



Ron Bullick
Coronation, 578-2192
zone director



Harold Carter
Kinsella, 386-2205
technical committee



Larry Rosin
Craigmyle, 665-2432
producer liaison
committee



Carol Wilson
Killam, 385-2202
zone coordinator

ELECTION BACKGROUNDER

ZONE 5

Zone 5 Includes: County of Stettler No. 6, County of Lacombe No. 14, County of Red Deer No. 23, M.D. of Badlands No. 7, M.D. of Starland No. 47, M.D. of Kneehill No. 48, M.D. of Clearwater No. 99

ELECTED BY ACCLAMATION

Greg Conn and family ranch and farm along the north bank of the Red Deer River, eight miles northwest of **Innisfail**. They run a cow/calf and backgrounding operation and raise all their own feed.

Greg has been on the ACC before, and took time off to expand and refine the operation. As a delegate, he served on the public affairs committee and worked along side producers in the area of water quality as it relates to cattle production.

Greg says, "I feel the ACC is one of the leading farm organizations and I am ready to lend my time to work with fellow delegates and producers to ensure a growing and healthy beef industry in Alberta."

Darcy Davis and family run a cow/calf and background operation at **Acme**, 45 miles west of Drumheller.

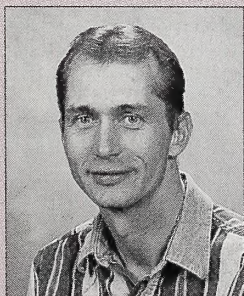
He has been on the Commission for three years serving on the producer liaison committee for the last two.

Darcy says, "I believe the ACC is doing a good job of representing the cattle industry but needs to improve its communication with producers."

Ron Hopper and wife run a cow/calf and commercial hay operation in the **Rimbey** area.

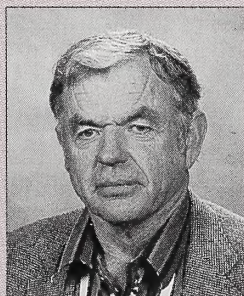
He says, "I would like to represent the ACC in zone five. My goal is to ensure that cattle producers maintain a strong and united voice in the province. I have served as an ACC delegate and as a director to the Lockhart Rural Electrification Association for several years and feel confident that I can represent the concerns of fellow cattlemen."

SITTING DELEGATES



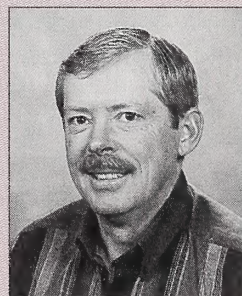
Kevin Boon
Delia, 364-2253

beef promotion
committee



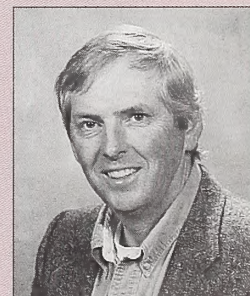
Des Carney
Three Hills, 443-7369

technical committee



Barry Haner
Red Willow, 742-4384

public affairs
committee



Rob Somerville
Endiang, 579-2406

government affairs
committee

ELECTION BACKGROUNDER



ZONE 6

Zone 6 Includes: County of Ponoka No. 3, County of Beaver No. 9, County of Wetaskiwin No. 10, County of Strathcona No. 20, County of Camrose No. 22, County of Leduc No. 25, County of Parkland No. 31, I.D. No. 13, M.D. of Brazeau No. 77, City of Edmonton

ELECTED BY ACCLAMATION

Elgar Grinde operates an 150 head cow/calf and backgrounder operation in conjunction with grain farming northeast of **Holden**.

He previously chaired the ACC research committee. He believes in free enterprise with minimum government involvement.

Elgar says, "No government can utilize cattlemen's money as efficiently as the cattlemen themselves."

Don Mosicki and family operate a commercial cow/calf operation at **Warburg**.

He believes the ACC is the best organization for Alberta beef producers, especially with the new strategic plan bringing other producer organizations under its wing.

Don says, "I feel that promotion and marketing of our product is the most important objective, especially when the government has allowed European beef into our market when ours is banned from Europe. My interests lie in the promotion and marketing plans of the Commission."

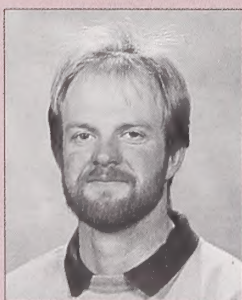
Dave Solverson and his brother operate **Woodwind Ranch Inc.**, along the Battle River southwest of **Camrose**.

The ranch has evolved from a purebred Hereford operation to a cow/calf to finish operation. They also background some custom cattle.

In his first ACC term, he sat on the technical and beef promotion committees.

Dave says, "I have been impressed with the work done by the ACC and would like to contribute."

SITTING DELEGATES



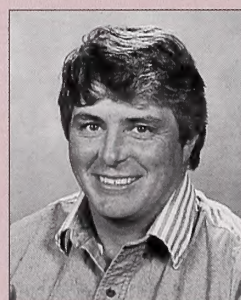
Frank Deneke
Stony Plain, 963-5677

public affairs
committee



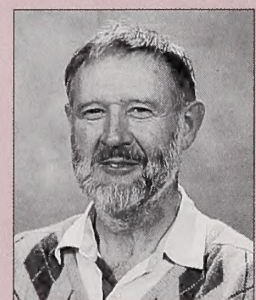
Marvin Molzan
Leduc, 986-2417

beef promotion
committee



Mark Mowat
Gwynne, 352-9969

government affairs
committee chairman



John Prentice
Calmar, 985-3611

technical committee

ELECTION BACKGROUNDER



ZONE 7

Zone 7 Includes: County of Thorhild No. 7, County of Barrhead No. 11, County of Athabasca No. 12, County of Lac St. Anne No. 28, M.D. of Woodlands No. 15, M.D. of Opportunity No. 17, M.D. of Sturgeon No. 90, M.D. of Westlock No. 92, M.D. of Yellowhead No. 94, M.D. of Lesser Slave River No. 124, I.D. No. 12

ELECTED BY ACCLAMATION

Joe Dobyanski is a livestock auctioneer at Triple J Livestock in Westlock. He also has a cow/calf operation at **Dapp**. Joe finished his wipeout year and is coming back for another term.

Murray Kerik and family run a commercial cow/calf and a purebred Red and Black Angus seedstock operation near **Flatbush**.

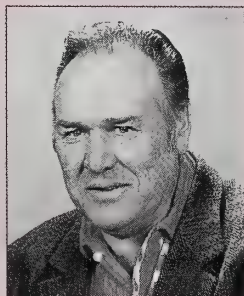
Farming in cooperation with his parents has allowed him to participate in the ACC and 4-H. Murray looks forward to being able to assist again.

David Pasay operates a cow/calf operation southeast of **Morinville**. Like nearly all cow/calf producers in central Alberta, his calf crop is consistently near or exceeds 100 per cent.

Getting the best value for producers' money is David's main reason in letting his name stand for re-election.

David says, "The proposed increase in the check-off comes at a time when the cattle industry in Alberta is expanding. Money will be needed not only to improve management skills of our producers in regards to herd health and environmental impact, but also to develop and maintain good relations with people living close to those areas where feedlots are expanding and in areas where new feedlots are proposed."

SITTING DELEGATES



Mike Cook

Dapp, 954-2663

beef promotion
committee



Jason Haggart

Carrot Creek, 795-3748

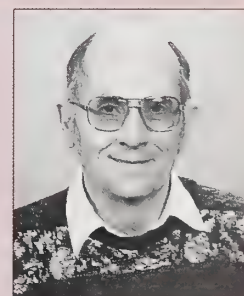
producer liaison
committee



George Schafers

Morinville, 939-3070

technical committee



Ed Yoder

Smith, 829-3787

government affairs
committee

ELECTION BACKGROUNDER



ZONE 8

Zone 8 Includes: County of Smoky Lake No. 13, County of St. Paul No. 19, County of Two Hills No. 21, County of Vermilion River No. 24, County of Minburn No. 27, County of Lamont No. 30, M.D. of Bonnyville No. 87, Municipality of Wood Buffalo, I.D. No. 24

CANDIDATES

James Dibben raises 130 commercial cows and purebred Charolais bulls and farms 1,600 cultivated acres near **Vermilion**.

He raised purebred Charolais from 1970 to 1995 and is still a member of the Canadian Charolais Association. James also has a small amount of feedlot experience having twice fed cattle in a lot. Since starting farming he has taken courses such as: farm management, motor tune-up, financial farm and bookkeeping, and futures and options courses.

James has been on the Alberta Wheat Pool advisory board and is currently on the UFA delegate advisory board in Vermilion.

James says, "I very much enjoy farming and raising cattle."

Shelley Dyck and family operate a ranch in the **St. Paul** area. They run grass cattle and a cow/calf operation on both deeded and leased pasture.

Shelley has served on the Lac La Biche Feeder Co-op board of directors and as a trustee on the St. Paul Board of Education.

Shelley says, "These are dynamic and changing times for the industry. I have the background and the passion to serve the cattle business."

Aside from ACC functions and the practice of law, **Guy Fontaine** manages a rotational grazing operation in **Bonnyville**.

Guy says, "How time flies! I have already served a two year term on the public affairs committee which led to being appointed as the ACC representative to Report a Poacher, Alberta Farm Animal Care and the Alberta Livestock Protection System. Needless to say, the time and knowledge required was beyond my initial expectation. I am prepared to continue if the producers whom I represent agree that I should."

Lyndon Mansell runs 80 cows and 800 acres on his farm near **Innisfree**.

He is past president of the Chamber of Commerce and a member of the curling club.

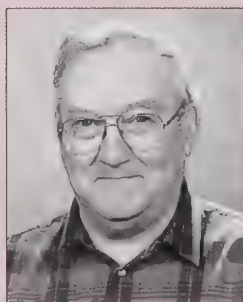
Lyndon has completed his second term and served as zone director and producer liaison committee chairman.

SITTING DELEGATES



Alex Broadbent
Lac La Biche, 623-4374

government affairs
committee



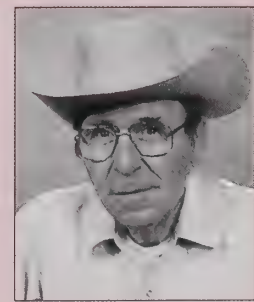
Raymond Konieczny
Mannville, 763-2304

beef promotion
committee



Luc Tellier
Bonnyville, 826-4596

technical committee



Howard Thomas
Lac La Biche, 623-4542

producer liaison
committee

ELECTION BACKGROUNDER

ZONE 9

Zone 9 Includes: County of Grande Prairie No. 1, M.D. of Greenview No. 16, M.D. of Birch Hills No. 19, M.D. of Saddle Hills No. 20, M.D. of Clear Hills No. 21, M.D. of Northern Lights No. 22, M.D. of MacKenzie No. 23, M.D. of Big Lakes No. 125, M.D. of Smoky River No. 130, M.D. of East Peace No. 131, M.D. of Spirit River No. 133, M.D. of Peace No. 135, M.D. of Fairview No. 136

DELEGATES AND CANDIDATES

SUBZONES

- 9-1 M.D. 23 (High Level, Ft. Vermilion, La Crete areas), that area of M.D. 22 north of Chinook Valley Road (Keg River, Manning and Dixonville areas)
- 9-2 M.D. 21 (Worsley, Cleardale, Hines Creek areas), M.D. 136 (Fairview area), M.D. 135 (Berwyn, Grimshaw, Peace River areas), M.D. 131 west (Three Creeks, Nampa areas), that area of M.D. 22 south of Chinook Valley Road
- 9-3 M.D. 20 (Gordondale, Silver Valley areas), M.D. 133 (Spirit River area), M.D. 19 (Wanham, Eaglesham areas), M.D. 130 (Smoky River, Falher areas)
- 9-4 County No. 1 (Grande Prairie, Beaverlodge areas), M.D. 16 west of Simonette River
- 9-5 M.D. 16 east of Simonette River (Valleyview, Debolt, Little Smoky areas), M.D. 125 (High Prairie, Kinuso areas)

Subzone 9-1

Phillip Fazikos has a cow/calf operation near **Deadwood**. He farms "totally organic" using no chemicals. He raises his own hay but buys grain as needed. Phil says, "I enjoy the challenge of being on the ACC and meeting others in the same situation."

Subzone 9-2 Candidates

Dennis Gellings and family operate a cattle and grain farm in **Bear Canyon**. They run 300 cows and background the steers to 800 pounds before selling them to a feedlot. They also raise and train Border Collies. He is a winning competitor at trials and instructs many stock dog clinics. Dennis previously owned an oil-field contracting company. He was president of the Bear Canyon Grazing Reserve during the time it was being privatized by the government and was involved in negotiating a reasonable agreement.

Greg Griffin and family operate a 300 head stocker operation north of **Whitelaw**. Greg has served for three years as an ACC delegate working with the technical committee.

Subzone 9-3

AJ Wamsteeker and family run a commercial cow/calf operation west of **Woking**. AJ looks forward to bringing both a north and south perspective to the Commission, having previously raised cattle in the Fort Macleod area.

Subzone 9-4

Robert MacAlister and wife run an 100 head cow/calf herd near **Wembley**, southwest of Grande Prairie, on land homesteaded by his father. He has been part of the local Credit Union board and also a director on the South Peace Forage Association. Cattle have been part of Robert's life since he was young - whether raising them or hauling them as an off-farm business.

Subzone 9-5

Cec Jardine and family operate a cow/calf operation near **Valleyview**. Besides the ACC, Cec serves on other agriculture organizations in the Valleyview area. He feels the ACC is a very positive organization to look after the interests of the Alberta cattle producers.

SITTING DELEGATES



Gary Creelman
Fairview, 835-4645

beef promotion
committee



Grant Kerik
Beaverlodge, 354-8053

government affairs
committee



Garry Gurtler
North Star, 836-2125

zone coordinator



Chairman's Report

Making Changes to Meet the Challenges



Dale Wilson
ACC Chairman

As we deal with challenges, we should always be looking for opportunities. Often these opportunities are hard to

grasp because they require change and human nature seems to resist change. If our industry is going to continue to grow or even survive as we know it today, then we must be prepared to make the necessary changes for these challenges to become opportunities.

In the past year, we have witnessed many challenges! The one most noticeable to the feeding sector is the current over supply of red meat in the system. This has caused feeders to operate at a loss for most of the past year. The opportunity here is to convince people to eat more Alberta beef in Canada and around the world by developing a better product and marketing it as such.

In the past six months, intensive livestock operations and manure management has come to the forefront as a major issue facing the cattle industry. In response to this challenge, the Alberta Cattle Commission (ACC) has participated in a number of activities regarding manure management. We are working towards a partnership role with Alberta Agriculture and other industry organizations to become more proactive in this area. With the number of cattle steadily increasing in Alberta and the expansion of urban areas, we believe strong

action is necessary to maintain a positive image in the community.

The agricultural lease review report released in late May will become a starting point from which to consider changes to the regulations governing Crown grazing dispositions. However, the ACC has some serious problems with important elements of the report and especially with the implications for lessees and the Alberta beef cattle industry as a whole. We believe that a number of key proposals would create serious economic, political and legislative problems. The ACC made a submission to the Thurber committee in late September stating our concerns.

"If our industry is going to continue to grow or even survive as we know it today, then we must be prepared to make the necessary changes."

For the past year, six Alberta cattle industry associations: Alberta Auction Markets' Association, Alberta Cattle Feeders' Association, Alberta Livestock Dealers' and Order Buyers' Association, Feeder Associations of Alberta, Western Stock Growers' Association and the ACC, have been working with the Alberta government towards the privatization of brand inspection services. The government is getting out of services that don't pertain to the general public. Since industry pays for the service, it makes sense that industry would also administer it. As well, a producer-run system will be able to respond to new needs in industry and to new technology, providing greater value for inspection fees. There are no

plans to eliminate brand inspection, but there is potential for both cost savings and service improvement in a privatized service.

The \$16.4 million Canada-Alberta Beef Industry Development Fund, managed by the ACC, has now funded 30 beef production related research projects valued at \$8 million. Projects include animal health, feedlot, cow/calf, manure management, sustainability and intellectual resources. There is a team of five leading producer representatives from a broad spectrum of the cattle business working along side government advisers to ensure that funding is put toward the most practical and worthy research projects.

In spite of Asia's troubled economy, it is encouraging to see the progress the Canada Beef Export Federation made this past year. In 1997, Asia and Mexico bought over 35,000 tonnes of Canadian beef worth \$129 million, which was a 36 per cent increase over 1996.

It is more important than ever that we do everything we can to ensure a health traceback capability for our cattle herd to maintain or increase our export markets. Food safety is an important issue both at home and abroad. Trade depends on our reputation for producing safe and wholesome beef. A national identification system will be a key selling point with our global trade partners. Some plan to demand this as a condition of doing business.

One of the greatest challenges that the Canadian beef industry has faced in recent years is the country of origin labelling bill that the U.S. Senate passed in July. At time of writing, we don't yet know if the bill will be approved when it goes to Conference



Chairman's Report

between the U.S. Congress and Senate. However, regardless of what happens to the U.S. country of origin labelling bill, the issue has made Alberta producers aware of how dependent we are on the U.S. market. Perhaps this is the wake-up call that we've needed. If the Canadian beef industry is going

"The demands for funding are ever increasing to the point where we have to make difficult choices between the level of service provided and the level of funding available."

to continue to be successful, all segments of the industry must be prepared to put more resources into marketing, both at home and abroad.

The ACC check-off level must be addressed. Our check-off has remained the same since 1987. The demands for funding are ever increasing to the point where we have to make difficult choices between the level of service provided and the level of funding available. As directed by producers last fall, the ACC board and delegates reviewed programs and developed a five-year plan. This plan includes a 50-cent increase in the ACC check-off.

The other key elements of the plan are:

- increased funding for export market development,
- expanded beef promotion activities,
- strengthen producer communication efforts, and
- boost funding for government lobbying.

Cattle producers will have a chance to vote on this plan at the ACC fall producer meetings.

The various ACC committees have been very busy the past year and accomplished a great deal, as is reflected in the reports written by the committee chairmen. However, there is much more work to be done if we are to continue to keep our industry current on the many issues we face. Increased funding would help meet these demands.

I appreciate the commitment and support from both the board of directors and our very talented staff. It has been my privilege to serve as your chairman this past year.

Dale Wilson, Rosedale
ACC Chairman



BOARD OF DIRECTORS

top row (left to right): Mark Mowat, Gwynne; Lyndon Mansell, Innisfree; Larry Helland, Lomond; Des Carney, Three Hills; John McNaught, Woking; Murray Jorgensen, Bassano; Mel Toews, Beaverlodge; Charles Westra, Gibbons; Michael Bird, Blackie

bottom row (left to right): Ron Bullick, Coronation; Jim Turner, Cochrane; Dale Wilson, Rosedale; Keith Everts, Pincher Creek; Gary Sargent, General Manager

ACC STAFF:

- Gary Sargent, General Manager
- Joanne Lemke, Manager, Public Affairs
- Michael Kuntz, Controller
- Julie Pidhirney, Office Manager
- Ron Glaser, Public Affairs Coordinator
- Karen Sheils, Receptionist



Producer Liaison

ACC Wants Your Input



Lyndon Mansell
Producer Liaison
Chairman

Much of 1998 has been devoted to a recently completed producer survey. In January, the producer liaison

committee finalized the questionnaire making improvements and incorporating questions for comparison between the new survey and the original completed in 1991. Next, the zone coordinators were given the task of placing surveys with at least 30 producers in each of the nine zones. This was a difficult task during calving, bull sales and the early spring. The survey asked producers how best to inform them on industry related matters.

Based on results of the survey, the producer liaison committee is looking for better ways to update producers on beef industry happenings.

We are looking at our market information service, which provides feeder and slaughter market updates by telephone, noon radio broadcasts, and Internet (an average of 400 times per day). The Canfax staff, with some direction from the producer liaison committee, is looking for ways to improve the service. Please send along any suggestions. Canfax is also looking at ways to improve the service.

The *Grass Routes* newsletter continues to evolve at the hands of editor Ron Glaser. This year the annual report and three newsletters will be

mailed to producers and there will be six inserts in monthly *Cattlemen* and *Alberta Beef* magazines. *Grass Routes* is an ongoing challenge, with some producers wanting more in-depth articles and others brief summaries.

The work of the zone coordinators and Beef Education Association (BEA) are complementing each other effectively in their respective zones. This is becoming a real team effort, with the two groups meeting together to exchange ideas for effectively enlightening the public. Hopefully all delegates will continue to lend support when public opportunities arise with both beef producers and consumers. This gives producers an opportunity to ask questions and offer feedback and

"The producer liaison committee is looking for better ways to update producers on beef industry happenings."

suggestions. Each zone team now has a new display that highlights the Alberta Cattle Commission (ACC) and how the check-off is put to work.

The growth in use of the Internet has prompted the producer liaison committee to investigate ways to improve the ACC web page. This initiative has received the support of the beef promotion and public affairs committees (visit us at www.cattle.ca).

Rural Crime Watch continues to receive ACC support through both the annual telethon and poster contest. On a related matter, Cpl. Ed Turco is the new livestock investigator in the south, joining Cpl. Woods in the north. We extend our thanks

for the help of Cpl. Emil Smetaniuk and wish him well in his future endeavors.

The committee also sponsors two \$500 4-H scholarships for beef club members who go on to post-secondary education. Congratulations to this year's recipients, Owen Nelson of Whitecourt and Tawnya Copland of Tees.

The 1998 summer board tour and meeting was hosted by zone eight. Highlights included a tour centered on manure management at Highland Feeders, (the 1997 Environmental Stewardship Award winner), lunch with producers in the Smoky Lake area, and tours of an intensively managed grazing system and a community pasture. A supper and informal meeting with some of the spirited producers of zone eight followed in Vermilion. Zones four and five have expressed interest in hosting the 1999 board tour.

Use of the 1-800 News Line continues to put current industry information in the hands of media, and in many cases actual interviews on the radio. It is the envy of many other industries and a credit to the ACC staff that prepares the stories.

The contribution of the producer liaison committee and zone coordinators is greatly appreciated and valued. The ACC and BEA staff is challenged with much preparation work and the day to day operations. We thank them for going the extra mile on several occasions.

**Lyndon Mansell, Innisfree
Producer Liaison Chairman**



Technical

Extending Research Benefits to Producers

One of the priorities the committee set out last year was to promote the transfer of new technology to grass-roots producers. This priority arose from the problem of producers not being exposed to new production and management information, despite the large amounts of money being spent on research each year. Too much good research is still sitting in filing cabinets and not getting out to where it can do some good, in the hands of cattle producers.

“Too much good research is still sitting in filing cabinets and not getting out to where it can do some good, in the hands of cattle producers. The technical committee has taken an active role in sponsoring a number of extension activities.”

To this end the technical committee has taken an active role in sponsoring a number of extension activities including the International Beef Symposium (Lethbridge Research Centre), the Beef Improvement Federation 30th Annual Meeting and Research Symposium (Calgary), and the Alberta Grazing School (Lacombe Research Centre).

As well, representatives from the Alberta Cattle Commission (ACC), Alberta Forage Council, and Forage Industry Advisory Committee met with a number of deputy ministers from Alberta Agriculture to lobby for more effective use of extension resources in the beef and forage industry. As a result of this meeting, the Western

Forage/Beef Group out of Lacombe has been tasked to consult with producers, researchers, and extension personnel, and develop a list of recommendations on how best to address the gap in the information chain. These recommendations will be reviewed at a follow-up meeting with the deputy ministers later this year.

Finally, the technical committee continues to have active representation on several research and industry committees. The delegates on these committees ensure the needs of cattle producers are kept at the forefront when industry issues are discussed.

The technical committee approved a two-year, \$10,000 project to monitor the effects of the Granum grass fire. Dr. Ed Bork from the University of Alberta is conducting a post fire recovery project to determine what effect the fire had on existing plant species. The project would also experiment with various rejuvenation methods.

To date, the committee has paid \$16,800 to the Western College of Veterinary Medicine for the investigation costs associated with the excessive abortions in the High Prairie area herd. In addition, approximately \$3,500 will be spent purchasing the Elisa kits used in the blood serum tests for Neospora by Alberta Agriculture's animal health labs. Research data from this investigation is expected to be published in a veterinary journal.

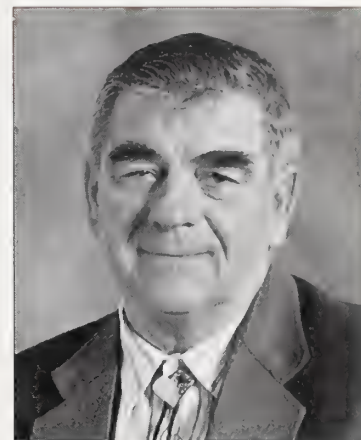
The committee funded \$2,000 towards the Beef Improvement Federation 30th Annual Meeting and Research Symposium being hosted by the Canadian Beef Breeds Council. The money was used for technical speaker presentations.

The committee is considering publishing a special research issue of *Grass Routes* dealing with the different

technical committee research projects undertaken to date.

Agriculture and Agri-Food Canada has completed the risk assessment regarding Brucellosis and Tuberculosis being transmitted from diseased Wood Buffalo National Park bison to cattle. The projected risk numbers seemed unrealistically low and as a result, we attended a meeting with Agriculture Canada to better understand the model results.

The ACC technical committee, the Canadian Association of Petroleum Producers and three Alberta government departments, have each approved \$30,000 for a livestock health investigator. This investigator will follow up on difficult petroleum incidents involving cattle.



Mel Toews
Technical Chairman

Mel Toews, Beaverlodge
Technical Chairman



Government Affairs

New Regulations Make For a Busy Year



Mark Mowat
Government Affairs
Chairman

The government affairs committee has been active with a number of issues this year: the agricultural lease review,

wild ungulate depredation, the Municipal Government Act, endangered species, Water Act regulations, Heritage Rangelands designation and Special Places 2000.

Agricultural Lease Review

Since the release of the agricultural lease review interim report, the Alberta Cattle Commission (ACC) has received a number of calls and letters from producers who are very concerned on how this report could dramatically change their operations.

The government affairs committee formed a subcommittee to address and respond to the interim report. The subcommittee received advice from Rod Love, former executive director to the premier, and an economic analysis by Dr. Leonard Bauer, professor emeritus in agricultural economics from the University of Alberta, Faculty of Agriculture, Forestry and Home Economics. The subcommittee could not accept some of the major recommendations in the report:

Grazing Disposition Assignments and Tenure – We feel it is unacceptable for government to suddenly claw back the value of grazing leases that would withdraw approximately \$300 million worth of capital from the asset

base of the Alberta beef cattle industry. This change could impose real hardships on many operations that have capitalized and financed the value of the surface compensation or pledged it as part of bank financing. This would be a retroactive move by the government that would severely impact many leaseholders, and even more importantly would potentially reduce the compensation for energy impacts on deeded lands.

Although we can support the recommendation for longer lease tenures, we are concerned that shorter probationary tenures for beginning procedures would not allow them to secure stable financial arrangements or allow longer-term improvements to be undertaken.

"We feel it is unacceptable for government to suddenly claw back the value of grazing leases that would withdraw approximately \$300 million worth of capital from the asset base of the Alberta cattle industry."

Industrial Access and Surface Compensation – The proposed changes to the compensation arrangements would be devastating for a number of producers and would cause significant reduction in cash flow and seriously erode their asset base. We feel the process of removing industrial lands from the lease would be extremely complex and time consuming. In areas of active energy development, the area under lease and the rental amounts would be under constant revision.

Industrial Access for Resource

Exploration – We feel the lessee would virtually have no input to decisions on seismic exploration that could have a major impact on their operation. This would inevitably lead to conflict between lessees and seismic companies.

Rental Rates and Municipal Taxes

While including the payment of taxes in the grazing fee would give the appearance of a larger lease payment to the government, most lessees prefer to pay their taxes directly to their local municipal government.

We believe that public grazing dispositions play a key role in maintaining a competitive Alberta beef industry.

Wild Ungulate Depredation

The wild ungulate depredation working group recommendations are before standing policy committee and the ministers of agriculture and environment. Our representatives to the working group were delegates Randy Archibald and Simon Schonhofer and General Manager Gary Sargent. Some of the recommendations are:

- establish and enhance an ungulate damage prevention program,
- develop a brochure to describe the prevention program and measures to minimize damage,
- establish and enhance a damage compensation program that would include nurseries and market gardens,
- establish local committees to address ungulate damage concerns and develop ungulate population goals, and
- develop a local database of landowners with ungulate depreciation problems.

> more on page 17



Cattle Industry

> continued from page 16

Municipal Government Act

The three-member MLA committee (Barry McFarland, Richard Marz and Rob Loughheed) have released a discussion paper on farm property assessment and taxation. The committee has developed recommendations and options that will be the subject of public consultations at regional meetings in October and November. There appears to be a general movement towards a market based assessment, but this could be problematic for

agriculture.

Water Act Regulations

The Water Act has been passed but will not be proclaimed until the regulations are finalized. However, the environmental protection minister may allow some of the regulations to be enacted before all of them are completed.

Special Places 2000

The implementation of the Heritage Rangelands designation is awaiting passage of the Natural Heritage Act in 1999. This designation is important to leaseholders in the Foothills, Parkland

and Grassland natural regions that are included in Special Places nominations. In the Alpine natural region, four sites (Whaleback, Castle, Big Horn and Canmore corridor) have been reviewed by local committees. In the Foothills natural region, the Sheep River local committee has completed its report. A number of the Grassland nominations were reviewed by local committees and rejected.

**Mark Mowat, Gwynne
Government Affairs Chairman**

Working Together For Producers

The Alberta cattle industry, and agriculture in general, is undergoing many changes. Change will take many forms and the pace of change seems to become greater every year. The cattle industry committee provides a forum where groups involved in the industry can discuss and understand the issues and challenges facing producers. Through this dialogue, we can build consensus to respond as an industry to meet the challenges of today.

Beef producers have been challenged on many fronts this year including:

- country of origin labelling legislation in the U.S.,
- the Code of Practice for Responsible Livestock Development and Manure Management,
- Regulatory Options for Livestock Operations,
- interim report of the Agricultural Lease Review Committee,
- Special Places 2000 and endangered species legislation,
- updates on the Canada-Alberta Beef Industry Development Fund,

- federal safety net issues,
- national identification,
- national check-off,
- privatization of brand inspection and the Livestock Identification Service Agency, and

"The cattle industry committee provides a forum where groups involved in the industry can discuss and understand the issues and challenges facing producers."

- beef industry check-off funding.

To date there has been no shortage of issues for the committee to discuss, and government officials increasingly look upon this committee as a venue to gather feedback from the major cattle organizations. The issues facing Alberta's beef industry are continually evolving, and with frank, open dialogue between industry organizations we can manage and

prosper with each coming challenge. In closing I would like to thank the members of the committee for their involvement and I look forward to continuing our dialogue in the future.



**Murray Jorgensen
Cattle Industry
Chairman**

**Murray Jorgensen, Bassano
Cattle Industry Chairman**

With Representation From:
Alberta Auction Markets' Association
Alberta Canada All Breeds Association
Alberta Cattle Feeders' Association
Alberta Livestock Dealers' and Order
Buyers' Association
Alberta Milk Producers
Canadian Meat Council
Feeder Associations of Alberta
Western Stock Growers' Association



Public Affairs

Impacting Public Opinion



Charles Westra
Public Affairs Chairman

The Alberta Cattle Commission (ACC) public affairs committee is very active ensuring we make an impact

on producers, the industry, government and the consumer. We are most grateful to the excellent staff that helps us achieve our objectives.

An update to the Environmental Risk Assessment is underway. The study will look at changes in legislation/regulation and new research in the areas of manure management, riparian management, range management, soil and air quality since the original study in 1991. The study will also include at least 25 interviews with individuals involved in environmental issues around the cattle industry.

There has been a major increase in issues surrounding water quality and manure management in the last year. Province wide water quality problems are too big an issue for the committee to deal with alone. We see our role as being an information source for producers. Therefore we are updating a water quality booklet to make it more impactful and plan to package it with the Green Zone riparian management guide and the new government manure code of practice. We will distribute the package as widely as possible free of charge to producers.

We are again supporting the stockmen's range management courses organized by the Public Lands. The committee also agreed to contrib-

ute \$10,000 towards 12 manure management courses with the Farm Business Management Initiative. Approximately 130 producers will participate in the two-day courses that feature in-depth farm planning using aerial photography. There will be at least one course in every ACC zone.

After removal of the provincial horn tax some producers became concerned that there was no longer a method to encourage producers to dehorn their cattle. The committee set up a working group with Alberta Farm Animal Care and the Alberta Veterinary Medical Association to develop a poster and envelope stuffer encouraging producers to dehorn their cattle as early as possible to avoid problems with broken horns or dehorning mature animals. Our goal is to have the materials in place for the fall calf run.

Four nominations have been received for the 1999 Environmental Stewardship Award. They are:

- Forty-Mile Grazing Co-op - Bow Island
- Howard Davis - Cowley
- Alvin Kumlin - Calgary
- Genesee Generation Station - Leduc

The winner will be announced at the 1998 ACC annual general meeting. This is an excellent opportunity to promote sound environmental practices and to present the positive story about cattle producers' contribution to the environment.

We continue to distribute the *Just Facts* booklet discussing the cattle industry's impact on the environment and human health. We still have good quantity in stock - if you are involved in a trade fair or display, please contact the ACC office for copies.

The process of including the Alberta Farm Animal Care (AFAC) as part of the Animal Livestock Protection System (ALPS) is now complete. The

ACC is represented on the working advisory ALPS committee. We have been involved with the AFAC group that is developing a student workbook and video along with a curriculum connected teachers' manual.

The ACC has been in discussions with Alberta TrailNet which is working to establish a province wide network of recreation trails. They have become more receptive to some of our concerns, which include litter, liability, trespass and nuisance.

Farming for Tomorrow, a special edition of Farm, Light and Power was distributed to producers in March 1998. The ACC was part of the editorial board of this excellent magazine that tackled water quality and other environmental issues. It has proven to be an excellent resource for producers.

Growing Alberta's fall campaign will take place during Agriculture Week, October 12-16, and the Thanksgiving holiday addressing air, water and soil quality and food safety issues with print ads in magazines and newspapers and with radio spots.

Our top priority this last year involved environmental issues surrounding water and soil. It is up to each individual producer to do his or her part to ensure that they portray a positive image to their neighbors and the surrounding community. At the Partners for the Saskatchewan River Conference, cattle producers were complimented on the progress and commitment that is being made in changing practices to improve water quality. We are impacting public opinion, especially with those working in the area of water quality.

Let's continue to do so!

Charles Westra, Gibbons
Public Affairs Chairman





Beef Promotion

Reaching the Home Market

The beef promotion committee has been active this year with its popular and successful programs. Our educational programs such as the Classroom Agriculture Program continue to get the agricultural message out to Albertans.

The *Beef in the Classroom* program reached more than 3,400 students who enjoyed the cooking demonstrations. Two more cities, Fort McMurray and Grande Prairie, were added this year and additional requests keep coming in. The committee receives many excellent reviews about our two presenters (a dietitian and a home economist) and their message.

"Chef Marty Carpenter has initiated many beneficial partnerships with restaurants that increased their beef sales anywhere from eight to 50 per cent."

The Beef Education Association coordinators have continued to get our Alberta beef message out to local trade fairs, meat markets, etc., and they are available to help delegates with promotion so please access their enthusiasm and expertise.

As a result of meetings with the executive of the Western Heritage Centre, our committee is confident that they have taken some very positive steps to achieve the completion of the modern ranch exhibit area to which the Alberta Cattle Commission (ACC) contributed \$50,000.

The promotion committee is also contributing to the upgrade of the ACC Internet site as we feel it is necessary to keep up with the communication technology that our society

demands both for the benefit of the consumer and producer.

The ACC's promotional material continues to be popular and represents \$52,000 of the committee's budget. We are also supporting beef promotions with the zones at the Calgary Stampede and the Great Northern Family Barbecue in Edmonton, as well as a \$1,000 sponsorship of the Alberta Beef Producers chuckwagon driven by Troy Flad.

The ACC's foodservice program is becoming more successful every year. Chef Marty Carpenter has initiated many beneficial partnerships with restaurants that increased their beef sales anywhere from eight to 50 per cent. Joint marketing promotions are currently underway with Prairie Mushrooms and the Potato Growers of Alberta. Marty also participates in numerous trade shows where the program receives excellent exposure not only with the public but also with the many chefs in attendance. On the education side, Marty has been busy with presentations for chefs, foodservice buyers and sales staff, as well as staff training at participating restaurants.

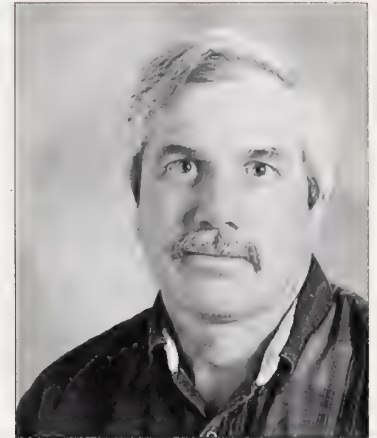
A new direction the committee has taken this year is not to provide direct funding to Quebec retailers (or other retailers). Since the Quebec marketplace accounts for 22 per cent of Alberta beef sales, we have approved a two-year pilot project (cost \$90,000/year) to fund the hiring and activities of a Quebec retail merchandiser. This individual will operate under the guidance of the Beef Information Centre (B.I.C.) and deal directly with Quebec retailers to improve the competitive position of beef and grow beef's market share versus other proteins. An evaluation process will be

in place, and if successful, it will be recommended that the B.I.C. take over the funding in fiscal year 2000/01.

Our committee has discussed a long-term vision for Alberta beef promotion and we may need to refocus our energy and direction depending on the U.S. country of origin labelling proposal. We also believe that increased support for the Beef Information Centre and the Canada Beef Export Federation would greatly benefit Alberta cattle producers.

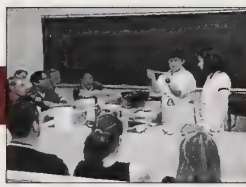
Our newest promotion has been a partnership with Cargill Foods on a major promotion of barley-fed beef in Japan. Utilizing our promotional materials, the export division of the High River Cargill plant hopes to provide the Japanese consumer with the opportunity of purchasing branded barley-fed beef. We will continue to evaluate the program with the hope this may be the kind of joint venture that the ACC will want to be involved with in the future.

Thanks to the enthusiasm and dedication of the committee members and staff, we have continued to promote Alberta beef as cost effectively as possible and always with the Alberta producers' best interests in mind.



Michael Bird
Beef Promotion
Chairman

**Michael Bird, Blackie
Beef Promotion Chairman**



Beef Promotion

CAP Grows Stronger Every Year

The Classroom Agriculture Program (CAP) just keeps getting stronger and stronger each year. When we started in 1985, we struggled to find commodity groups interested in joining our program. We knew that in time, CAP was going to be one of the best school programs available. All we needed was the help of other organizations. Over the years, we convinced agriculture groups to join CAP and be part of this comprehensive program. In fact, over the last five years we have been approached by numerous organizations asking if they could join. CAP currently has 12 commodity group members (the Alberta Cattle Commission is the major sponsor).

Earlier this spring, a CAP representative spoke on volunteerism at the National Agriculture Awareness Conference. Following the speech, we had 14 requests for information on the program. CAP teacher's kits were sent

as far away as Australia and England, plus to almost every province in Canada. We received numerous compliments on the excellent program we have developed, with special kudos for the way we handle our volunteers. We also discovered that the agricultural education program being offered in Australia was patterned completely after our very own CAP program. As you can see, our program is becoming well-known worldwide.

"The ACC is proud to be the major sponsor of CAP and also the major contributor of volunteers. Please keep this tradition going by volunteering your time to present to eager grade four students."

In order to keep this momentum, it is important that we keep up our volunteer base. We have approximately 550 volunteers throughout Alberta, but it is imperative that we get more to cover the urban centers which so desperately need to receive information on agriculture. The Alberta Cattle Commission is proud to be the major sponsor of CAP and also the major contributor of volunteers. Please keep this tradition going by volunteering your time to present to eager grade four students. Call today to volunteer (403) 275-4400.

**Janet Cordes, Rolling Hills
CAP Chairman**

Promoting Beef in Smaller Markets

The Beef Education Association (BEA) is a group of people determined to have the truth about beef spread throughout Alberta. We want consumers to know it is a safe, nutritious, healthy product raised by conscientious producers.

Because beef is leaner than ever before, people are realizing it is okay to include it in their healthy diet plan. There are many new recipes to help us maintain the taste of beef that is so important to us all. We give out new recipes and cooking instructions

produced by the Beef Information Centre to any interested consumers.

In the interest of economizing, we have only two meetings per year where we get together to exchange ideas, look over new products and plan the year's work. At our last meeting in June, we ordered new display boards explaining the new retail labelling system that is now coming into many smaller stores. Perhaps you will see us in these stores giving out information as these stores launch their new beef counter look.

At our last meeting we had resignations from BEA members in zones one, six, and eight. We need help in these areas. If you have time, are enthusiastic about promoting beef, would like to help your industry, please get in touch with the ACC office in Calgary at (403) 275-4400.

**Dawn Oatway, Grande Prairie
BEA Chairman**



Canada Beef Export Federation

Exports Weather Asian Flu

Canada's beef and veal exports to Asia and Mexico increased by over 36 per cent in volume and nine per cent by value in 1997 as compared to 1996. Exports to Asia have been disrupted in 1998, decreasing by 16 per cent (volume) and 17 per cent (value) in the first six months of the year. By contrast, exports to Mexico have increased by 24 per cent (volume) and 45 per cent (value) in the first six months of 1998. The value of Canadian exports to Asia and Mexico surpassed \$129 million in 1997 – a major contribution to the industry. While our industry is being affected by economic disruptions in Asia, we are on track to achieving our export goals in these vital new markets.

"While our industry is being affected by economic disruptions in Asia, we are on track to achieving our export goals in these vital new markets."

With a significant percentage of our net production (cattle and beef) being exported, export markets have set the floor and ceiling prices for cattle and beef in Canada for a number of years. The United States has traditionally been our major market but it is becoming more volatile and continues to be a challenge.

The Federation's market development strategy works to create export success on behalf of our industry by pursuing four primary tactics:

- **Market identification** – identify markets or sectors that may present opportunities for our industry
- **Market access** – in cooperation with all members and governments, prepare industry positions and strategies to remove any trade barriers
- **Genetic Promotion** – improve product knowledge, industry awareness, and Canadian profile in the eyes of current and potential clients
- **Brand Development** – facilitate with export members and international trading partners to create country and company branded projects and programs.

With optimism for future sales increases to Asia and Mexico, we feel that we can achieve great success following these four tactics.

Canada's beef processing capacity is expanding on the expectation of increased export sales. United States protectionism or nationalistic tendencies have the potential to devastate our industry. It is imperative that we develop as many other markets as possible.

We face strong competition in Japan and throughout Asia. The Americans and Australians provide over 90 per cent of Asia's imported beef. The United States dominates the Mexican beef market. Our competitors are both backed with millions of promotional dollars each year. Many American packers have international offices. The Australian industry has had representation in Asia for over 25 years. We are the newcomers, and we must

earn our market share with quality, value, service, consistency, image, and commitment. We are just now beginning to enjoy the fruits of our labor.

Our industry must continue to develop new export markets if it expects to thrive. Domestic consumption of beef and veal products is not growing – we will not consume increased production at home. Pricing is now established in the world market – we are not alone.

Canada's beef industry is developing a new competitive, "can do" ethic. We are winning in Asia and Mexico without the homefield advantage. By proving to our international clients that we are the best beef and veal export industry in the world, we are proving it to ourselves. It is difficult to estimate the returns to our industry from this newly emerging well-founded confidence, but it is significant.



Ron Bullick
ACC Representative
to CBEF

**Ron Bullick, Coronation
ACC Representative to CBEF**



Beef Information Centre

Improving Beef Demand by 2002

The Beef Information Centre (B.I.C.) is in the second year of a five-year strategic plan with the goal of increasing beef demand by three per cent by the year 2002.

I want to focus on just a few program areas to show what's new and what major changes were undertaken – where the B.I.C. made a significant difference in the last year. There are four prominent projects:

- new beef naming system at retail,
- new beef products on the market,
- great strides in the availability of value-added and branded products, and
- an award winning web site.

More Value-Added Products

This past fall, the B.I.C. held Showcase 2001. While the first conference in May of '97 had featured value-added, it identified a need to show the industry how value-added could be done. Showcase 2001 provided the answer. It focused on the processes to successfully develop and market new products for the processing, retailing and foodservice segments of the industry.

The B.I.C.'s new research study to determine the type of convenient products consumers desire, both now and for the future, was a keynote presentation at Showcase.

To handle the overwhelming interest in the value-added products profiled in the meatcase at the first Showcase in May '97, the B.I.C. had developed *Mealtime Savours Value-Added Merchandising Guide*. This manual contains information for retailers to prepare (or have a processor prepare for them) 50 of the innovative value-added products that were on display. It was launched in October '97 and several major chains are working on developing a number of these products. *Federated Co-op* is

promoting 15 of the items to their meat managers. The manual was not enough. The goal of the second Showcase was to be a catalyst to quicken the pace of new value-added products on the market.

The B.I.C. staff is also working on a new rotisserie roast beef that is made from a lower value cut. The roast will be sold in the supermarket deli and provides consumers with a delicious tender roast. A quick stew package is another product launched this fall. Chain-specific 30-minute marinade sachets have increased.

More New Beef Products

We've seen several new beef products on the market in the last year and expect more in the coming year.

The B.I.C. worked with *J.D.Sweid* to develop four new products for their restaurant clients – short ribs, stew, beef strips, and a fajita kit.

In another B.I.C. project, *Philly Steak* was developed by *Best Western Beef* and is selling in *Zellers Restaurants* and *Bellamy's*.

While *FNA's Fibrimex* has been used on prime loin cuts for years, the B.I.C. has been involved in a new process for tenderizing and improving the consistency of six hip and chuck cuts. They compare favorably in sensory testing to products from the loin. These new products are priced competitively below the price of loin cuts and offer excellent potential in the foodservice area.

Stouffer's

The B.I.C. worked with *Nestle's Stouffer's* brand line and the result is two new complete beef dinner stirfry kits. They are found in the frozen food case, and provide a dinner that is ready in less than 10 minutes. *Stouffers Thai Beef* and *Szechwan Beef* were launched in March across Canada.

Initial volume of beef used for the launch was 75,000 lb. in a previously untapped market. The B.I.C. supported market research, package development, in-store demos and coupons.

Pillsbury's Create-A-Meal

Beef strip sales increased 88 per cent when fresh beef stir-fry strips were partnered with *Pillsbury's Green Giant Create-A-Meal* during a launch in over 500 stores in western Canada. As well as increase beef sales, the intent was to position beef as convenient and show that there is more to beef than traditional steaks and roasts. This promotion used inside round. As a result of the sales success, *Pillsbury* expanded this line across Canada.

Halal

A Halal line of three frozen products produced by *MGI/Muller's* for Muslim consumers in Ontario in the fall of '96 expanded to New York state in '97. Markets keep growing and it is now available in New Jersey, Philadelphia, Buffalo and Detroit. The product is also being tested in Lebanon. The B.I.C. has continued to support package development as markets have expanded.

Making Buying Beef Easier – A New Naming System for Beef at Retail

The beef industry achieved a milestone with the new naming system for beef at retail. The changes were built on extensive research that showed consumers didn't understand the old system and that the industry was losing sales. The new system is voluntary and represents a major investment by the retailer. Most major chains are committed to implementing part or all of the new system.

The chain where it was pilot tested has over one year of experience in the new program. They effectively implemented all three elements of the



Beef Information Centre

program (the cooking method added to the current anatomical name on the price label, cooking instructions on all packages, and the beef counter arranged by cooking method). As well they have trained all staff on the rationale for the new program, encouraging commitment. Further research indicated they needed to make consumers aware of the change and so they implemented advertising through grocery bags, etc. Beef sales increased, particularly in the roast category, and a broader mix of cuts was being purchased.

Work on the new naming system is not finished. There is a great deal of work to do with helping other chains improve the execution of their programs.

Since this was a major change for the industry, it was important to let consumers know about it. Results of the B.I.C.'s national media launch in May show:

- 102 radio interviews - 19 hours of airtime,
- 13 television shows - with 2.25 hours of air time, and
- 103 articles for a 6.5 million circulation.

Because it was a newsworthy story, it was covered in the *Globe and Mail*, and picked up in two *Canadian Press* stories. Coverage followed in major daily papers. Television coverage included prime time news. Many U.S. trade publications picked up the story and it is expected that U.S. retail chains will adopt this system.

Award Winning Website

The newly organized meat counter can be seen on the B.I.C.'s website at www.beefinfo.org. It was launched in the fall of 1997 and registered with 18 of the top search-engines. It is linked to *Chatelaine* magazine and several cattle sites. It received the award for best food industry site from Web Marketing Association. The site cur-

rently receives 50,000 hits per month.

More New Efforts

Also new in the past fiscal period was *A Matter of Fat II* (AMOF) brochure. Launched December 15, the brochure focuses on meals, while *AMOF I* dealt with individual foods. It was direct mailed to 4,415 physicians and 65,000 were inserted in March *Readers' Digest* in Vancouver. It was also direct mailed to over 10,000 consumers on the B.I.C. mailing list.

Factsheets

Three new fact sheets were designed for health professionals with accompanying consumer sheets on Zinc and Iron, Lean Beef, and Heart-Healthy Eating.

Another change concerns advertising. In addition to reviewing the role advertising will play in the B.I.C.'s program, the B.I.C. committee searched for a new agency. Mediocre creative, combined with a constant change in staffing on our account has resulted in the B.I.C. dismissing Saatchi and Saatchi, our agency since 1982. The B.I.C. committee has decided not to advertise in the fall of 1998, so that a new agency can recommend type of media and strategy.

Work continues in other program areas such as consumer information, public relations, foodservice, health and food safety. If you have any questions please ask your Alberta B.I.C. committee representatives: Kevin Boon, Mike Cook, Jean Curry, Joan Hughson, Marvin Molzan or myself.

The mandate is to increase beef demand which is measured by price and consumption. At retail, 21.1 million lb. more beef at a value of \$94 million sold in 1997 compared to 1996. This increase has been primarily due to a 3.7 per cent increase in the number of households purchasing beef. There was also a slight increase in the price paid per kilogram in year over year data. In 1997 a total of 87.7 per cent

of households had purchased beef (NPD data- a diary record of 4,500 households).

Total foodservice sales in Canada have declined in 1997, and along with it, beef's share has also declined from 20.4 per cent to 19.9 per cent. Burger sales represent close to 60 per cent of foodservice sales, and we saw a decline in the third quarter (Crest data on 3,400 households). This decline corresponded with the U.S. recall of Hudson products. However, this is a concern and the B.I.C. has a new product person working with the major fast food restaurant chains and their suppliers in the development of new beef products.

Statistics Canada data, which measures total beef that disappeared in Canada (plus imports and minus exports) shows consumption dropped 0.8 lb. per person in 1997. Their measurement of demand (consumption and price) on seven cuts shows beef demand was down 1.6 per cent in 1997.

With the high supplies of beef, greater competition from chicken and pork and the price situation of finished cattle, it is clear that we need to market our product and increase the sales of beef at a profitable return to the producer. With a Canadian consumption of 1.2 ounces of cooked beef per day, there is clearly opportunity for more beef meals.

As committee members, we feel strongly that the B.I.C.'s programs and efforts to market our product are important. The need is to provide a product that meets consumers' ever changing lifestyle. It is the consumer who will keep us in business.

Michael Bird, Blackie
B.I.C. committee member



Canadian Cattlemen's Association

Seeing the Big Picture



Jim Turner
Alberta's Executive
Director to the CCA

and marketers of the finest cattle in the world.

United States "Import Designation" Labelling

This was one of those issues that has been around for some time and appeared to be well in hand with a very strong and vocal lobby against it. The combination of low cattle prices and an election year in the United States changed those dynamics suddenly. The bill was introduced and passed through the Senate on July 15. Even the proponents of the measure were surprised by the turn of events. It will likely go to Conference when this goes to press.

We are conducting a quick economic assessment of our export trade with the United States (by product type to retail and foodservice) and have sought a detailed study proposal for a thorough analysis of its potential impact. We also obtained a legal assessment of the potential of this measure to be challenged through the World Trade Organization and/or the North American Free Trade Agreement. It is a policy area that we will need to carefully assess as we head into the next round of multilateral trade negotiations.

This issue demonstrates our vulner-

The Canadian Cattlemen's Association (CCA) continues to strive to protect and promote your interests as producers

ability to this type of measure due to our high dependency on the U.S. market and the commodity approach that has been used to market our product. Until now, that approach has been very successful in competing in the Canada/United States market. It signals the need to re-evaluate our overall marketing strategy and our preparedness to handle this type of measure.

To this end, we have developed the framework for creating an industry marketing strategy to position our product in the United States in the event the change is approved. It is likely that this type of strategy should be pursued in any event due to the ongoing threat of this or a similar measure. The bottom line is that we need to find ways to mitigate the potential price impact of this type of measure.

National Check-off

The private agency incorporation papers have been signed. The agency will facilitate the transfer of national check-off funds to the three groups (Beef Information Centre, Canada Beef Export Federation, and the Beef Cattle Research Council) and allow provinces to join as their approval processes allow. The long term goal is to facilitate the check-off on imported beef. We also believe there may be opportunity to use those dollars to seek a matching contribution for continuation of our development initiatives.

Animal Health and Meat Inspection

Issues of major interest include:

- The North West Project and amended import feeder cattle regulations,
- medicated feed regulations,
- Canadian Food Inspection Agency business plan,
- Quality Starts Here,

- eradication compensation,
- Wood Buffalo Park disease surveillance, and
- the national Identification initiative under the Canadian Cattle Identification Agency.

Domestic Agriculture Policy

Since the annual meeting, the National Safety Net Committee has released its report. For the most part the CCA was not in agreement with most members of the committee, which was composed of representatives from general farm organizations within the provinces. National commodity associations were also represented.

Members of the committee called for increased government spending including an increase in NISA contributions. The CCA feels this will only lead to increased scrutiny by the United States and could result in trade action. The CCA continues to request that industry development funds be allocated from the safety net envelope.

The CCA also made representations before the Senate Agricultural Committee in Edmonton and Winnipeg on changes to the Canadian Wheat Board.

Beef Quality and Grading

Most of the activity has been focused on continued improvements to the CVS (computer vision) grading system, the evaluations of the Connective Tissue Probe (to measure tenderness), grade labelling, roller branding, and the studies on B1/B3 grades and the north/south (Canada - United States) marbling application comparison.

The Canadian Beef Grading Agency continues to deliver grading services at a lower cost and with a high level of user satisfaction and confidence.



Canadian Cattlemen's Association

Environment Committee

Influencing the direction of potential endangered species protection legislation continues to be the CCA's top environmental issue. Discussions are ongoing between federal, provincial and territorial wildlife ministers to develop a comprehensive workplan for implementation of a national approach to complementary legislation and programs to protect endangered species. Most provinces already have that legislation in place.

The discussion document *Canadian Cattle Producers and the Protection of Species* has been widely circulated. It has been very well-received by cattle producers, conservation organizations and government. It's available on the CCA website at www.cattle.ca.

The CCA was very pleased to assist the Canadian Wildlife Service in organizing a one day tour for federal Environment Minister Christine Stewart. She visited a wildlife reserve near Saskatoon, a PFRA pasture featuring a Ducks Unlimited Canada project, and spent time on a ranch south of Saskatoon.

Water issues are gaining profile. The perception that cattle are the source of concern in many areas is being challenged by research projects in Ontario, Alberta and British Columbia. The information gathered will help deal with real concerns where they exist and refute misinformation. The CCA is providing staff resources towards a national water quality strategic plan to assist in coordinating research, information networking, and education and awareness material. These activities will be conducted under the Quality Starts Here program.

Beef Industry Development Fund (BIDF)

As we go into the final year of scheduled operation, the BIDF committee continues to review ongoing

projects and plans being undertaken by its contracting organizations. We have just reviewed the results of activity for the third year of operation by both the Canada Beef Export Federation and the Beef Information Centre. We are pleased with their activity and initiatives and feel they have had a positive effect on the industry. Quality Starts Here continues to be an effective technology transfer and education tool embraced by industry. The number of requests shows this for our binders. The committee will meet again in late September to review the research projects approved. This process continues to function quite well, and we are pleased with the quality of the projects to date.

Topping up the fund is also a goal of the committee, but this is a more complex safety net discussion that will take some time to determine whether or not it will happen.

Canadian Cattle Identification Agency (CCIA)

The Canadian Cattle Identification Agency is moving ahead with the development of a credible and reliable individual traceback system for animal health and product safety for beef cattle in Canada. Individual animals will be tagged/identified as they leave the herd of origin with a unique number that will remain with them through to slaughter. The individual identity will then be transferred to the carcass and maintained through to the point of meat inspection.

The following CCIA projects are currently underway:

Tag/ID Field Trials - there are over 80 herds across Canada participating in the initial field trials designed to identify tags which meet the basic criteria, including low cost, high retention and readability. Between trial tags and benchmark tags, the CCIA has distributed close to 30,000 ear tags representing 20 types of

technology. The tags are being evaluated at weaning primarily on the basis of retention with attention given to readability, tamperproof, cost, ease of application, etc.

Feedlot/Packing Plant Trials - we are working with specific packing plants in an effort to resolve issues surrounding the individual identity transfer from live animal to carcass up to the point of meat inspection. Animals will be tagged near the end of the feedlot phase and followed through up to meat inspection. Various systems will be tested within the plants.

Information System - in an effort to implement a credible information system which will address items such as data integrity, data collection, data storage, information flow, information access, data security and traceback simulation, the CCIA is currently developing detailed functional specifications to be circulated to interested information system technology companies.

National Strategy - dairy, Quebec, CFIA/AAFC and beef have developed a National Strategy which will allow access to CFIA/AAFC funding for specific projects.

Communication - A communications strategy has been developed which will provide a means of communication and information exchange with all sectors. The success of the national identification initiative will depend on support and buy in from the industry.

The national ID program will not be implemented within the beef industry until we have support and have demonstrated the system is cost effective and works. We look for your direction to ensure successful implementation.

Jim Turner, Cochrane
Alberta's Executive Director to the CCA

Auditors' Report

AUDITORS' REPORT TO THE DIRECTORS AND ZONE REPRESENTATIVES

We have audited the statement of financial position of the Alberta Cattle Commission as at March 31, 1998 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 1998 and the results of its operations and the changes in its cash flows for the year then ended in accordance with generally accepted accounting principles.



Chartered Accountants

Calgary, Canada
May 14, 1998

ALBERTA CATTLE COMMISSION

Statement of Financial Position

March 31, 1998, with comparative figures for 1997

	1998	1997
Assets		
Current assets:		
Cash	\$ 624,076	\$ 508,117
Government-secured investments, at cost	1,479,590	1,702,818
Fees receivable	640,063	653,815
Interest and other receivables	92,117	214,042
	2,835,846	3,078,792
Capital assets (note 1)	47,096	48,597
	2,882,942	3,127,389
Liabilities		
Accounts payable and accrued liabilities	357,623	454,101
Net assets	\$2,525,319	\$2,673,288


Commitments and contingency (note 2)

See accompanying notes to financial statements.

Approved by the Board:



Dale Wilson, Chairman



John McNaught, Finance Chairman

ALBERTA CATTLE COMMISSION

Statement of Operations and Changes in Net Assets

Year ended March 31, 1998, with comparative figures for 1997

	1998	1997
Revenues:		
Fees	\$6,894,044	\$6,653,532
Less dealers' rebates	137,695	129,946
	6,756,349	6,523,586
Investment income	97,798	145,605
	6,854,147	6,669,191
Expenses:		
National promotion and Beef Information Centre (notes 3 and 4)	3,618,875	3,619,850
Canadian Cattlemen's Association (notes 3 and 4)	503,292	428,751
Canada Beef Export Federation	300,000	301,500
Board and delegates:		
General meetings	141,757	141,815
Zone	89,050	66,606
Board meetings	69,834	60,103
Fall meetings	36,522	40,305
Executive	35,200	35,375
Project expenses (note 4):		
Promotion	459,070	649,720
Technical	263,713	546,394
Producer liaison	254,489	225,751
Public affairs	112,258	147,978
Government affairs	66,432	65,493
Cattle industry	4,864	3,255
GST expense (note 2(c))	485,890	-
Project management, operations and administration	460,369	463,270
Legal and audit	80,333	107,099
Strategic planning	-	6,561
Depreciation of capital assets	20,168	27,815
	7,002,116	6,937,641
Excess of expenses over revenues	(147,969)	(268,450)
Net assets, beginning of year	2,673,288	2,941,738
Net assets, end of year	\$2,525,319	\$2,673,288

See accompanying notes to financial statements.

ALBERTA CATTLE COMMISSION

Statement of Cash Flows

Year ended March 31, 1998, with comparative figures for 1997

	1998	1997
Cash and cash equivalents provided by (used in):		
Operations:		
Excess of expenses over revenues	\$ (147,969)	\$ (268,450)
Add (deduct) items not involving cash:		
Depreciation of capital assets	20,168	27,815
Loss (gain) on disposal of capital assets	210	(280)
	(127,591)	(240,915)
Change in non-cash working capital	39,199	82,042
	(88,392)	(158,873)
Investing:		
Additions to capital assets	(22,155)	(19,125)
Proceeds on disposal of capital assets	3,278	280
	(18,877)	(18,845)
Decrease in cash and cash equivalents	(107,269)	(177,718)
Cash and cash equivalents, beginning of year	2,210,935	2,388,653
Cash and cash equivalents, end of year	\$2,103,666	\$2,210,935
Cash and cash equivalents are defined as:		
Cash	\$ 624,076	\$ 508,117
Government-secured investments	1,479,590	1,702,818
	\$2,103,666	\$2,210,935

See accompanying notes to financial statements.

ALBERTA CATTLE COMMISSION

Notes to Financial Statements
Year ended March 31, 1998

General:

The Alberta Cattle Commission (the "Commission") operates under the regulations of the Marketing of Agricultural Products Act of the Province of Alberta for the purpose of improving the economic well-being of the cattle industry in Alberta. Under the regulations of the Act, the Commission is entitled to levy a service charge on cattle marketed in the Province of Alberta. The service charge in effect during the year ended March 31, 1998 was \$1.50 per head (year ended March 31, 1997 - \$1.50 per head). This service charge is deducted from the proceeds payable to the seller and is to be remitted to the Commission by each licenced livestock dealer.

The Commission meets the qualification of a not-for-profit organization as defined in paragraph 149(1) of the *Income Tax Act* and as such is exempt from income taxes.

1. Capital assets:

	1998		1997	
	Cost	Accumulated depreciation	Net book value	Net book value
Computer equipment	\$48,598	\$21,924	\$26,674	\$28,000
Furniture and fixtures	49,706	29,284	20,422	20,597
	\$98,304	\$51,208	\$47,096	\$48,597

Depreciation is provided on a straight-line basis over the assets' estimated useful lives, which for computer equipment is three years and furniture and fixtures is 10 years.

The 10 year service life for furniture and fixtures was determined, with effect from April 1, 1997, to be more representative of actual experience than the five years that had been historically applied. This change in estimate has reduced the annual depreciation charge against furniture and fixtures by 50 per cent in this and future years.

2. Commitments and contingency:

- (a) For several of the Commission's research contracts the funding is split into interim and final payments whereby the researchers must meet certain criteria prior to the final payment being approved. The obligation for the final payment is only recorded in the financial statements when such criteria have been met. If the researchers meet the criteria for such restrictions outstanding at March 31, 1998 the additional charges will be as follows:

1999	\$18,370
(b) The Commission leases office space and equipment under operating leases which expire at varying times over the next two years. The future minimum lease payments are as follows:	
1999	67,960
2000	17,811
	\$85,771

- (c) In February 1997, the Commission received a ruling from Revenue Canada stating their position that the service charge for cattle marketed is not a consideration for a supply and therefore not subject to Goods and Service Tax ("GST"). As well, a legislative change during 1996 introduced the requirement that in order to claim GST input tax credits, the goods or services purchased must have been acquired for the purposes of making taxable supplies. The combination of these events has, according to Revenue Canada, resulted in the inability of the Commission to claim input tax credits retroactive to April 24, 1996.

It is the position of the Commission that Revenue Canada has misapplied the *Excise Tax Act* in their ruling. The Commission has therefore initiated an appeal. If the appeal is unsuccessful, the Commission would be denied GST input tax credits in the future and might be required to repay amounts previously received totalling \$288,249.

ALBERTA CATTLE COMMISSION

Notes to Financial Statements, Page 2
Year ended March 31, 1998

As the ability of the Commission to claim input tax credits in the future is not determinable at this time, the Commission has elected to expense the input tax credits. In addition, the amount of \$71,872 recorded as an asset at March 31, 1997 has been expensed in the current year.

3. Related party transactions:

- (a) Included within the mandate of the Commission is the support for two national organizations, the Canadian Cattlemen's Association ("CCA") and the Beef Information Centre ("B.I.C."). As a funding organization the Commission is entitled to:
- (i) A number of seats on the Board of Directors of the CCA based on its calculated share of the farm cash receipts from the cattle and calves represented by the member organizations to the CCA. For the year ended March 31, 1998 the Commission contributed \$487,874 (1997 - \$413,101) to the CCA and the Commission was entitled to 7 of 27 seats.
 - (ii) A number of representatives to the B.I.C. committee based on its proportionate share of total funding. For the year ended March 31, 1998 a contribution of \$3,610,000 (1997 - \$3,610,000) was made to the B.I.C. entitling the Commission to 6 of 15 seats.
- (b) By way of an agreement dated April 16, 1997 the Canada-Alberta Beef Industry Development Fund (the "Fund") was established by the Government of Canada and the Government of Alberta. The Government of Canada has committed \$8.2 million to the Fund and will advance quarterly payments based on expenditure projections. The Government of Alberta has advanced their contribution of \$8.2 million. The total combined contribution of \$16.4 million is available to enhance research and industry development activities with the objective of promoting and enhancing the competitiveness of the beef industry in Alberta. The agreement requires that allocations to projects be made by March 31, 1999 and distributions be made by March 31, 2001.

The agreement calls for the Fund to be administered and maintained by the Commission. For the period ended March 31, 1998 the Commission charged the Fund \$19,588 in this regard of which \$6,807 was recorded as a receivable at March 31, 1998.

4. Director and delegate expenses:

Director and delegate honoraria and expenses are included with the costs of the national organizations and project expenses. The amounts included in each of the categories are as follows:

	1998	1997
Promotion	\$ 34,581	\$ 45,853
Public affairs	18,506	28,591
Producer liaison	16,285	17,646
Canadian Cattlemen's Association	13,797	15,650
Technical	13,603	33,176
Government affairs	9,910	18,289
Beef Information Centre	8,875	9,850
Cattle industry	1,771	1,500
	\$117,328	\$170,555

5. Comparative Figures:

Certain of the 1997 comparative figures have been reclassified to conform with the current year's presentation.

6. Fair values:

The fair values of amounts receivable and payable approximate their book values as such amounts are short-term in nature. The fair value of government-secured investments at March 31, 1998 is reflected by their quoted market value of \$1,543,632 (1997 - \$1,821,624).

ALBERTA CATTLE COMMISSION

Operations Budget 1999/2000

	Proposed 1999/2000 Budget		dollars per head	Current 1998/99 Budget	1997/98 Actual
Revenue:					
Fees	\$8,000,000	A	2.00	\$6,300,000	\$6,894,044
Less:					
Dealers' rebates	(120,000)		(0.03)	(126,000)	(137,695)
	7,880,000		1.97	6,174,000	6,756,349
Investment income	104,411	B	0.03	65,000	97,798
Total revenue	7,984,411		2.00	6,239,000	6,854,147
Expenses:					
<i>*National promotion and Beef Information Centre</i>	3,609,000	C	0.90	3,789,000	3,618,875
<i>*Canada Beef Export Federation</i>	200,000	C	0.05	301,500	300,000
<i>*Beef Cattle Research Council</i>	200,000	C	0.05	-	-
Canadian Cattlemen's Association	514,080		0.13	504,000	503,292
Export market development	800,000	D	0.20	-	-
Board and delegates:					
General meetings	142,800		0.04	135,500	141,757
Board meetings	61,200		0.02	60,000	69,834
Fall meetings	49,980		0.01	49,000	36,522
Zone	40,800		0.01	39,250	89,050
Executive	38,250		0.01	37,500	35,200
Project expenses:					
Beef promotion	1,143,000	E	0.29	594,500	459,070
Producer liaison	386,650		0.09	320,000	254,489
Technical	106,000	F	0.03	300,000	263,713
Public affairs	172,000		0.04	162,200	112,258
Government affairs	90,000	G	0.02	65,000	66,432
Cattle industry	4,080		0.00	4,000	4,864
GST expense	-	H	-	-	485,890
Project management, operations and administration	614,700	I	0.15	485,000	460,369
Legal and audit	81,600		0.02	80,000	80,333
Depreciation of capital assets	24,480		0.01	24,750	20,168
Total expenses	8,260,620		2.07	6,951,200	7,002,116
Excess of revenue over expenses	(276,209)		(0.07)	(712,200)	(147,969)
Net assets, beginning of year	1,813,119			2,525,319	2,673,288
Net assets, end of year	1,536,910			1,813,119	2,525,319
Marketings	4,000,000			4,200,000	4,596,029

* The italicized items indicate the portion of the budget allocated to the National Check-off.

CAPITAL BUDGET

Computer equipment	15,000	0.00	15,000	12,081
Furniture and fixtures	10,000	0.00	10,000	10,074
	25,000	0.01	25,000	22,155

ALBERTA CATTLE COMMISSION

Notes to the Budget

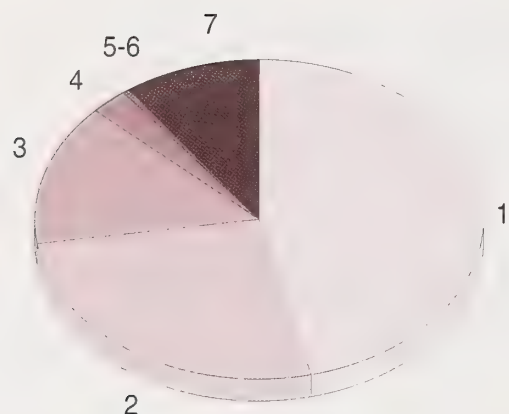
General

At the conclusion of the current fiscal year, net assets are projected to be at the minimum balance needed by the Alberta Cattle Commission (ACC) to manage receivables and pay bills during months of lighter cattle marketings. The 1999/2000 budget reflects the proposed \$0.50 per head increase in the check-off.

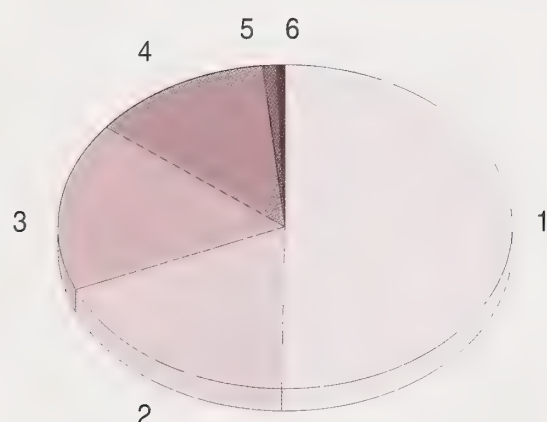
- A) The liquidation phase of the cattle cycle is expected to end during the 1998/99 year. Marketings will then decrease as more heifers are re-tained. Expansion of the processing and feeding industries could mitigate some of the reduction in marketings.
- B) Investment income is based on an average return of five per cent.
- C) Under the national check-off, each provincial cattle association designates how they want to assign their dollar per head marketed. The ACC designation is:
 - \$0.90 to the Beef Information Centre
 - \$0.05 to the Canada Beef Export Federation
 - \$0.05 to the Beef Cattle Research Council
- D) Other beef producing nations are investing heavily to establish strongholds in emerging markets like the Pacific Rim and ACC is increasing funding to export market development. In cooperation with the Canadian Cattlemen's Association, the ACC is investigating and planning for a major U.S. marketing program. Challenges like the proposed U.S. labeling legislation have highlighted the industry's need to update its approach to the U.S. market.
- E) Beef Promotion is expanding the Alberta beef foodservice program in Western Canada and the Beef in the Classroom program and launching a Quebec retail merchandising project that will complement the national promotion programs.
- F) The creation of the Canada-Alberta Beef Industry Development Fund and the development of the Beef Cattle Research Council (a national research organization) has changed the focus of the technical committee from contracting research to extension. The role of the technical committee is to ensure that the knowledge gained from research is conveyed to Alberta beef producers.
- G) The government affairs committee anticipates an increase in the number of issues it must address.
- H) In August 1998, the ACC received notification that our appeal of the GST ruling was successful. Revenue Canada confirmed the service charge for cattle marketed is a consideration for a supply, and as a result, the Commission can resume claiming GST expenditures as input tax credits.
- I) The project management budget includes the possible addition of one new staff member to handle increasing workloads and allows for the significant cost increases expected when the Calgary office lease is renewed in July 1999.

Beef Information Centre and Canadian Cattlemen's Association Budgets 1998 - 1999

BEEF INFORMATION CENTRE BUDGET



Revenues		
1. Alberta	\$3,780,000	62.4%
2. Ontario	1,055,000	17.4%
3. Saskatchewan	600,000	9.9%
4. British Columbia	325,000	5.4%
5. Manitoba	60,000	1.0%
6. Maritimes	12,000	0.2%
7. Interest and other	227,000	3.7%
	\$6,059,000	100.0%

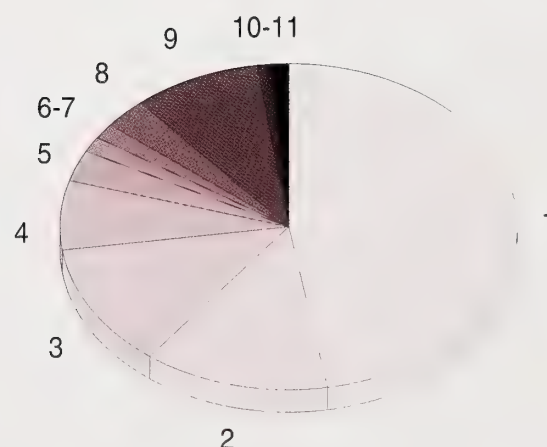


Expenses		
1. Advertising	\$3,138,000	50.3%
2. Trade related programs	1,147,400	18.4%
3. Consumer directed programs	1,051,000	16.9%
4. Operations	800,150	12.8%
5. Producer liaison	62,400	1.0%
6. Special projects	40,000	0.6%
	\$6,238,950	100.0%
Expenses over revenue	\$179,950	

CANADIAN CATTLEMEN'S ASSOCIATION BUDGET

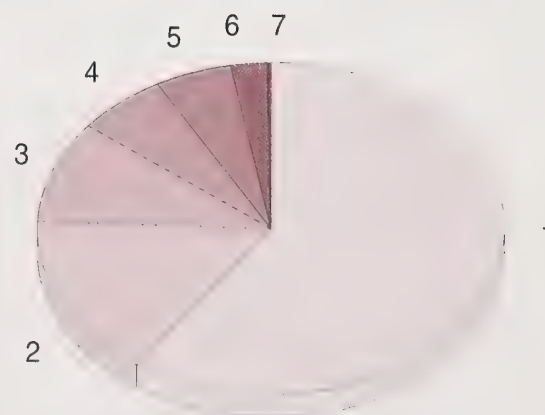
Revenues

1. Alberta	\$477,393	47.3%
2. Saskatchewan	132,650	13.1%
3. Ontario	124,612	12.4%
4. Manitoba	68,248	6.8%
5. British Columbia	31,400	3.1%
6. Maritimes	15,697	1.6%
7. CBBC	15,000	1.5%
8. Associate memberships	30,500	3.0%
9. Convention	91,000	9.0%
10. Interest	8,940	0.9%
11. Other	13,020	1.3%
	\$1,008,460	100.0%



Expenses

1. Operations	\$ 605,232	59.8%
2. General meetings	161,700	16.0%
3. Environment	100,000	9.9%
4. Executive/finance	62,500	6.2%
5. Committee expenses	54,263	5.3%
6. Special projects	25,505	2.5%
7. 5 - Country	3,500	0.3%
	\$1,012,700	100.0%



Expenses over revenue \$4,240

CANADIAN CATTLEMEN'S ASSOCIATION

Schedule of Revenue, Expenditure and Net Assets

Year ended June 30, 1998, with comparative figures for 1997

	1998		1997	
Revenue:				
Assessments				
British Columbia	\$ 21,217	2.3%	\$ 28,695	3.2%
Alberta	463,564	50.7%	421,497	46.7%
Saskatchewan	135,262	14.8%	138,581	15.3%
Manitoba	66,605	7.3%	64,514	7.1%
Ontario	145,498	15.9%	161,391	17.9%
New Brunswick	6,007	0.7%	5,563	0.6%
Nova Scotia	6,375	0.7%	7,196	0.8%
Prince Edward Island	5,472	0.6%	5,553	0.6%
	850,000		832,990	
Interest	12,150	1.3%	8,306	0.9%
Other	52,183	5.7%	61,855	6.9%
Total revenue	\$914,333	100.0%	\$903,151	100.0%
Expenses:				
CCA division services	\$132,763	15.2%	\$161,088	17.8%
Calgary office	286,245	32.9%	301,606	33.3%
Ottawa office	154,790	17.8%	162,428	18.0%
Special projects	25,744	3.0%	16,026	1.8%
Convention	(9,665)	-1.1%	(15,812)	-1.7%
Executive committee	60,182	6.9%	65,131	7.2%
Finance committee	-	0.0%	27	0.0%
Annual meeting	49,172	5.6%	42,855	4.7%
Semi annual meeting	21,887	2.5%	28,586	3.1%
Animal health and meat inspection committee	24,393	2.8%	20,788	2.3%
Grading committee	818	0.1%	4,530	0.5%
Foreign trade committee	14,171	1.6%	12,380	1.4%
Domestic ag policy	2,710	0.3%	727	0.1%
Research	609	0.1%	4,044	0.4%
Five country	13,789	1.6%	-	0.0%
Environment	92,774	10.7%	100,185	11.1%
Total expenses	\$870,382	100.0%	904,589	100.0%
Excess (deficiency) of revenue over expenses	43,951		(1,438)	
Net assets, beginning of year	169,731		171,169	
Net assets, end of year	\$213,682		\$169,731	

BEEF INFORMATION CENTRE

Schedule of Revenue, Expenditure and Net Assets

Year ended June 30, 1998, with comparative figures for 1997

	1998		1997	
Revenue:				
Assessments				
British Columbia	\$ 301,241	5.1%	\$ 296,367	5.0%
Alberta	3,610,000	60.8%	3,610,000	61.0%
Saskatchewan	600,000	10.1%	600,000	10.1%
Manitoba	60,000	1.0%	60,000	1.0%
Ontario	1,303,016	21.9%	1,201,788	20.3%
New Brunswick	2,000	0.0%	2,000	0.0%
Nova Scotia	4,000	0.1%	4,000	0.1%
Prince Edward Island	6,000	0.1%	6,000	0.1%
Breed Associations	3,000	0.1%	5,500	0.1%
	5,889,257		5,785,655	
Sales of materials	3,890	0.1%	13,152	0.2%
Interest	42,791	0.7%	25,504	0.4%
Grow Ontario	-	0.0%	100,000	1.7%
Total revenue	\$5,935,938	100.0%	5,924,311	100.0%
Expenses:				
Advertising				
Media				
Television	\$2,379,315	40.6%	2,195,873	37.7%
Magazines	306,395	5.2%	329,160	5.7%
Radio	144,860	2.5%	-	0.0%
Summer promotion	70,911	1.2%	273,940	4.7%
Production				
Television	178,891	3.1%	347,969	6.0%
Magazine	6,359	0.1%	37,764	0.7%
Talent	15,664	0.3%	19,433	0.3%
Radio	23,845	0.4%	-	0.0%
Miscellaneous production	10,354	0.2%	12,737	0.2%
Advertising subtotal	3,136,594	53.6%	3,216,876	55.3%
Operations	760,148	13.0%	753,742	12.9%
Consumer directed programs	335,189	5.7%	330,779	5.7%
Trade relations and promotions	455,303	7.8%	395,826	6.8%
Consumer research and evaluation	53,503	0.9%	70,790	1.2%
Trade communications	29,677	0.5%	20,611	0.3%
Producer liaison	55,362	1.0%	51,630	0.9%
Special projects	19,355	0.3%	30,949	0.5%
Product research	82,375	1.4%	-	0.0%
Foodservice	184,740	3.2%	163,104	2.8%
Consumer communications	70,645	1.2%	143,458	2.5%
Consumer health and safety	89,824	1.5%	120,966	2.1%
Retail, promotions and merchandise	244,839	4.2%	178,894	3.1%
Consumer information	336,482	5.7%	341,656	5.9%
Total expenses	\$5,854,036	100.0%	\$5,819,281	100.0%
Excess (deficiency) of revenue over expenses	81,902		105,030	
Net assets, beginning of year	615,323		510,293	
Net assets, end of year	\$ 697,225		\$ 615,323	

BEEF INDUSTRY DEVELOPMENT FUND

Schedule of Allocated and Committed Funds
June 30, 1998

Sources of Funding:

Federal	\$12,185,450	50.0%
British Columbia	655,758	2.7%
Alberta	8,200,000	33.6%
Saskatchewan	1,015,448	4.2%
Manitoba	554,537	2.3%
Ontario	352,734	1.4%
Interest	1,406,973	5.8%
Total funding	\$24,370,900	100.0%

	Allocated		Inception to date spending	
Expenses:				
Export market development	\$ 7,500,000	33.4%	\$ 4,336,892	34.8%
Research	5,600,000	24.9%	3,381,601	27.2%
Domestic market development	5,200,000	23.1%	2,403,794	19.3%
Technology transfer	1,870,962	8.3%	1,191,679	9.6%
Secretariat	229,038	1.0%	116,362	0.9%
Non-allocated	2,100,000	9.3%	1,026,471	8.2%
Total expenses	\$22,500,000	100.0%	\$12,456,799	100.0%

OPT-OUT FUNDS

Statement of Trust Fund
June 30, 1998

Sources of Funding:

Funds received	\$5,472,815
Interest earned	731,861
Total funds	\$6,204,676

Expenses:

Projects	\$1,658,042
Research	1,023,250
BSE compensation payments	414,786
Project management	10,201
Total expenses	\$3,106,279

Net assets, end of year **\$3,098,397**

After the termination of the National Tripartite Stabilization Program on December 31, 1993, the federal government returned remaining funds to the industry that had arisen from the early termination. The Canadian Cattlemen's Association has been entrusted to administer the funds for the general benefit of NTSP producers for the following purposes:

- Making supplemental compensation payments, pursuant to the advice of the Industry Compensation Development Committee, to owners of cattle disposed of due to suspected exposure of Bovine Spongiform Encephalopathy.
- Funding specific activities with the objective of promoting and enhancing the competitiveness of Canada's beef industry.

Additional information on the Beef Industry Development Fund and Opt-out Funds are available from the Canadian Cattlemen's Association.

ALBERTA CATTLE COMMISS

FALL PRODUCER MEETINGS AND ELECTIONS

ALL MEETINGS BEGIN AT 7:00 p.m. EXCEPT WHERE INDICATED BY (•)
Polls open one hour after the meeting is called to order

ZONE 1

DATE PLACE & SPEAKER

- Oct. 26 Redcliff, Legion Hall
- Oct. 27 Foremost Community Hall
- Oct. 30 Buffalo Community Hall
- Nov. 3 Brooks, Charlton's Auction Service Ltd.
- Nov. 5 Arrowwood Community Hall

ZONE 7

DATE PLACE

- Nov. 2 Beaver Meadows Community Hall
• Meeting starts at 7:30 p.m.
- Nov.16 Westlock Community Hall
•• Full day program starts at 9:30 a.m.

ZONE 2

DATE PLACE

- Oct. 21 Stavely Community Hall
- Oct. 27 Picture Butte Community Hall
- Nov. 3 Raymond, Agricultural Hall
- Nov. 5 Pincher Creek Livestock Auction
- All zone two meetings start at 7:30 p.m.

ZONE 8

DATE PLACE & SPEAKER

- Oct. 20 Lac La Biche, Provincial Building
Jim Turner, ACC Vice-Chairman
- Oct. 21 Smoky Lake, National Hall
Jim Turner, ACC Vice-Chairman
- Oct. 28 Kitscoty, Wheatfield Inn
Joanne Lemke, ACC Public Affairs Manager
- Oct. 29 St. Brides, Cork Hall
Joanne Lemke, ACC Public Affairs Manager
- Nov. 3 Innisfree, Curling Rink
Dale Wilson, ACC Chairman
- Nov. 4 Bonnyville, Agriplex
Dale Wilson, ACC Chairman
- All zone eight meetings start at 7:30 p.m.

ZONE 3

DATE PLACE

- Oct. 26 Cochrane Community Hall
- Oct. 27 Sundre, Seniors Rec. Center
- Nov. 2 Strathmore, Calgary Stockyards
- Nov. 3 Longview Community Hall

ZONE 4

DATE PLACE

- Oct. 20 Coronation, Provincial Building
- Oct. 22 Youngstown Community Hall
- Oct. 27 Killam, Legion Hall
- Oct. 29 Czar Community Hall
- Nov. 2 Pollockville Community Hall

ZONE 9

DATE PLACE

- Oct. 19 La Crete, La Crete Curling Rink
- Oct. 20 Manning, Agriculture Hall
- Oct. 22 Berwyn, Legion Hall
- Oct. 23 Hines Creek, Senior Drop In Centre
- Oct. 27 Eaglesham Hall
• 1:00 p.m. meeting
- Oct. 27 Savannah, Rec Plex
- Oct. 29 Valleyview, Ag Plex
- Nov. 4 Grande Prairie, Trumpeter Motor Inn

ZONE 5

DATE PLACE

- Oct. 20 Swalwell Community Hall
- Oct. 22 Dovercourt Community Hall
- Oct. 27 Innisfail, Moose Hall
- Oct. 28 Big Valley Community Hall
• 6:00 p.m. supper meeting

ZONE 6

DATE PLACE & SPEAKER

- Oct. 27 Bluffton Community Hall
Joanne Lemke, ACC Public Affairs Manager
- Oct. 29 Camrose, Masonic Hall
Cindy Delaloye, Canada Beef Grading Agency
- Nov. 3 Rolly View Community Hall
Ben Thorlakson, CCA President
- Nov. 5 Genesee Community Hall
Tom Thurber, MLA